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NEWS SUMMARY

GENERAL

Soviet Africa policy attacked

Dr. David Owen, Foreign Secretary, attacking Soviet policy in Africa, warned last night that Soviet and Cuban military involvement in Ethiopia placed a large question mark over the future of detente.

Speaking at a Mansion House banquet, Dr. Owen said that any similar intervention in Rhodesia or Namibia would be even more serious.

In Salisbury, the Rhodesian Supreme Executive Council announced that agreement had been reached on the *share-out* of Cabinet portfolios between the three black nationalist parties which signed the internal agreement.

From Windhoek it was reported that South African defence *forces* had killed 19 guerillas in the past week in the northern area of Namibia. Rhodesia amnesty, Page 4. Lombard, Page 16

Europe may poll in June, 1979

Mr. James Callaghan is expected to argue for a June 1979, date for direct elections to the European Parliament when Common Market leaders meet in Copenhagen to-morrow. Unprecedented security arrangements are being made in the Danish capital. Tanks are to patrol the airport and Queen *Margarethe* has been placed under 24-hour guard.

Second man in murder plot probe

Mr. David Holmes, a personal friend of Mr. Jeremy Thorpe and a *former* Liberal Party treasurer, left Bristol police station last evening after assisting police with their inquiries since Monday night into an alleged murder plot. Police said: "No charge has been brought against him." Meanwhile, a second man, Mr. John Le Mesurier, was being interviewed at Bristol in connection with the same matter.

Moro plea considered

Christian Democratic Party leaders met in Rome to consider the kidnapped former Italian Premier Aldo Moro's plea for an exchange of prisoners to set him free amid signs that no bargain would be *struck with his captors*. Page 2

French Cabinet

M. Raymond Barre's new French Government leaves most key posts unchanged. Nine Ministers retain their portfolios, but M. Barre has given up his additional responsibility for finance. Back Page

Neutron bomb

President Carter has not finally decided to scrap the neutron bomb, Congressional leaders reported after breakfasting with him at the White House. Page 3. Britain is to explode a Polaris nuclear warhead to-morrow at the U.S. test site in Nevada.

Civil list

Amid speculation as to whether Princess Margaret's £55,000-a-year share of the Civil List is to be raised when the expected Royal increases are announced on Friday, the Queen is to receive Mr. James Callaghan, at Windsor Castle this evening. Princess Margaret, who has 'flu, was unable to *attend* the *confirmation* of her 13-year-old daughter yesterday.

Briefly . . .

Prince Charles is to host a BBC-1 television series on anthropology.

The evacuation of 150,000 people from Nairobi, Kenya, has been ordered as an anti-cholera precaution.

A woman, aged 23, was jailed for 10 years in Belfast for her part in four separate IRA murder attempts on police and army patrols.

Premium Bond No. 9RK 703455, held in Barnet, London, won the April £100,000 prize.

BUSINESS

Canadian $ at new low; Gilts firm

● CANADIAN DOLLAR fell to a record low of 87.66¼ cents, in spite of the rise in Canadian bank rate.

● STERLING improved ¼ cent against the dollar to $1.8745, its trade-weighted index improving to 62.2 (62.0). The dollar came under pressure and its depreciation remained at 6.27 per cent.

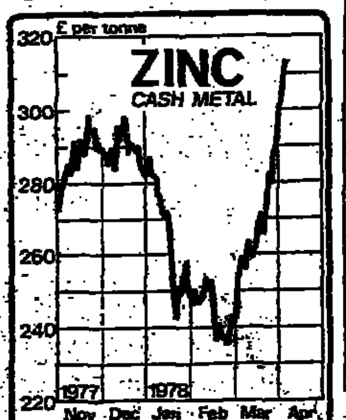
● EQUITIES undertone remained firm, enlivened by takeover speculation, and the FT ordinary index closed 2.4 up at 470.2.

● GILTS *recorded gains in longs* and the Government Securities index rose 0.22 to 74.06.

● GOLD *fell* $¾ to $178¼.

● WALL STREET was 1.47 up *at 756.84 just before the close*.

● ZINC prices reached their highest level since last July on



the London *Metal* Exchange, with cash tin gaining £11.5 to £313.5 a tonne.

● *LIBERALS, who are seeking a* £4.4bn. cut in direct taxes in the Budget, have said they will probably vote with the Government *on* the Budget, but seek additional cuts later. Page 13, Editorial Comment, Page 18 and Economic Viewpoint, Page 19

The TUC has called upon the Government to implement a five-point package to stem unemployment. Page 5

● DIRECT *TAXATION* is a greater burden on U.K. taxpayers than in any other Western economy, a commission on income and *wealth distribution* has been told. Page 6.

● GEC subsidiary, Marconi Space and Defence Systems, has won a development contract for U.S. military radios which could bring orders of $1.2bn. Back Page

● BSC has confirmed that *3,000* jobs—1,000 more than expected —will have to be lost at Ebbw Vale to make the plant internationally *comptitive*. Back Page

OIL

● BNOC has been awarded nine special exploration licences in the North Sea, and will also have a strong presence in the 40 blocks private oil industry is invited to bid for in the latest licensing round. Back Page

● MEXICO, with oil and gas reserves *of an estimated 120bn.* barrels, is to market oil in Europe and Japan. Back and Page 4

COMPANIES

Hepworth talks break down

● HEPWORTH CERAMIC bid talks with Johnson-Richards Tiles Board have broken down, and Hepworth will make its £26m. offer direct to shareholders. Page 24 and Lex

● NEB made a pretax profit of £34.3m. last year, largely due to a £20.4m. contribution from Rolls-Royce, whose aero-engine subsidiary has just won a big order from the U.S. Back Page

● BICC group total was 8.4 per cent. ahead at £47.12m. after a down turn in overseas profits. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 12¼pc '94...£104½		+ 1
Assed. Engineering...	116	+ 5
Austin (J.)	107	+ 5
BICC	116	+ 10
Bassett (Geo.)	140	+ 6
Bibby (J.)	211	+ 6
Brit. Home Stores	183	+ 5
Brown (J.)	293	+ 5
Camellia Invs.	200	+ 6
City Hotels	100	+ 5
Davy Intnl.	225	+ 8
GT Japan	118	+ 8
Jackson (J. & H. B.)	29	+ 3
Letraset	142	+ 8
McBride (R.)	365	+ 25
Marchwiel	285	+ 7
Newarthill	173	+ 18
SGB	149	+ 5
Tilbury Contracting	265	+ 25
Vickers	183	+ 4
Wheatsheaf	168	+ 6
Whittington Eng. ...	68	+ 3
Siebens (U.K.)	256	+ 8

FALLS

Dawes (G. R.)	65	− 5
Firth (G. M.)	20	− 4
Greencoat Props. ...	5	− 3
Phoenix Assurance ...	238	− 4
Sun Alliance	536	− 12
Anglo American Crp.	298	− 5
De Beers Dfd.	316	− 6
Doornfontein	268	− 14
Durban Deep	202	− 22
Western Deep	738	− 35

Cable and Wireless in £300m. deal with Saudi Arabia

BY JOHN LLOYD

Cable and Wireless, the State-owned telecommunications contractor, has won a £300m.-£400m. contract in Saudi Arabia. The deal is by far the biggest the company has ever signed.

The deal covers the supply and installation of a complete telecommunications system for the 35,000-strong Saudi National Guard, and will last for at least *the next five years.*

It follows the deal of more than £500m. signed between the Saudi Government and the British Aircraft Corporation last year, thought to be the U.K.'s biggest export contract.

A preliminary agreement was signed in Riyadh on March 19 by Sheikh Abdul Aziz al-Tweijiri, Assistant Deputy Commander of the National Guard, and Mr. John Wilton, British Ambassador to Saudi Arabia.

A full letter of agrement, specifying the details of the contract, is expected to be signed in July or August of this year.

Under the terms of the preliminary agrement, Cable and Wireless will act as prime con*tractors to the Ministry of* Defence.

Design

It will be responsible for the design, implementation, installation, operation and maintenance of the system, and will also provide a large training facility for National Guard personnel.

The Defence Ministry will monitor progress on behalf of the Saudi Government during the project.

As the prime contractors, Cable and Wireless will decide to which companies it will subcontract the various elements of the contract.

While no final decisions have yet been taken, it is understood that a major part of the civil engineering in the contract—*itself a large section of the* whole—will go to a British civil engineering company.

Cable and Wireless follows a *rigorous policy of buying by* price, quality and ability to deliver, rather than one of "buying British."

However, a number of British companies—such as Plessey, GEC, *Marconi* and Racal—are highly competitive in the field of military communications.

The contract, which has been under negotiation for the past five years, was won against exceptionally fierce foreign competition, especially from the U.S.

Both Presidents Ford and Carter, and Dr. Kissinger when he was Secretary of State, made representations to the Saudi Government on behalf of U.S. companies, while President Giscard d'Estaing made it clear that the French were interested in securing the contract.

British Ministers did not become *involved* in any of the negotiations, but Mr. John Bird, managing director of Cable and Wireless' communications systems division, said yesterday that Mr. Wilton, the Ambassador, had been "immensely helpful."

*—Cable and Wireless is now re*cruiting several hunderd extra staff for the project, a number of them from the Post Office.

While the prize is a large one, the difficulties of building up a system from nothing, and in training personnel in the use of modern military communications, are expected to be considerable.

Saudi Arabia's total spending on defence and security in the current year stands at £5.1bn. one of the highest in the Middle East and the largest item of expenditure in the Saudi budget.

Separate

The National Guard's current budget is £405m. The guard is entirely separate from the rest of the Saudi armed forces, with its own logistics and training system.

It operates as an internal security force and protects the oilfields. It reports directly to Deputy Crown Prince Abdullah, who is *second deputy* premier as well as the Guard's commander.

Britain has maintained a military *mission* to the Guard for some years, and has already supplied some of its equipment.

Thorn to close television plant

BY MAX WILKINSON

BRITAIN'S leading television manufacturer, Thorn, announced yesterday that it intends to close one of its three main factories at a cost of 2,200 jobs.

Its colour television factory at Bradford, Yorkshire, is to be closed, as it a sub-assembly plant nearby at Windhill.

Thorn *blames* the closure of the increased automation and reduction of the number of separate components in tele*vision manufacture throughout* the world.

It says: "Thorn Consumer Electronics expects to be increasing its output in the medium term, both to supply what it hopes will be a healthier home market demand than has recently been experienced and to stand a chance of keeping a significant presence in export markets."

In the current year, Thorn expects to be spending some £5m. on automatic equipment for inserting componets and testing colour television sub-assemblies.

It says this investment is neces*sary if it is to stay competitive* with overseas manufacturers. Thorn, in common with other British manufacturers, already has considerable *surplus* capacity. The investment now planned will further reduce its requirement for direct labour, the company says.

The television industry could produce almost double its present output, according to estimates by the National Economic Development Organisation sector working party on the industry.

The company is to continue production at its factories at Enfield and Gosport in Hampshire.

Thorn says that full consultations are now taking place with *trade unions* about the proposed cut back.

The announcement follows a decision by Decca to cut its pro*duction by closing the colour* television plant at Willenhall in the Midlands, which employs 350 people.

Thorn's statement says: "The sharply reducing number of components in new receivers coupled with increasing automation will provide the opportunity to achieve the level of reduced costs which are essential to be fully competitive as a manufacturer in the future."

Thorn's trade marks are Ferguson and Ultra. It has about 26 per cent. of the U.K. market and about half its production goes into its rental business.

Thorn plans to close the Bradford factory at the end of July. It is expected that the workers involved *will* receive *90-day* notices of redundancy at the end of this month.

● Mr. Roy Sanderson, a national officer of the Electrical and Plumbing Trades Union, said the

Continued on Back Page
News Analysis, Page 6

Hongkong 51% stake in U.S. bank

BY STEWART FLEMING NEW YORK, April 5.

HONGKONG and Shanghai Banking Corporation and Marine Midland Bank of New York to-day formally announced plans to merge.

Hongkong and Shanghai is to take a 51 per cent. voting interest in Marine Midland by the end of 1980. Linking the two institutions, whose total assets at the end of last year amount to $29bn., makes the deal one of the world's largest international banking mergers.

The agrement involves the injection of $200m. of new capital into Marine Midland, which has the worst earnings record among the leading U.S. banks over the past three years.

Mr. Edward Duffy, the chair*man, conceded to-day that lack* of capital had forced the bank to limit its growth. He s aid the new capital would enable the bank to take advantage of new opportunities.

The proposal has to be approved by the U.S. Federal Reserve Board as well as the New York State banking authorities.

The Fed will have to look at the financial and managerial capabilities of the two banks, the impact of the deal on banking *competition* and on the public interest in the communities servel by Marine Midland.

But like other foreign acquisitions of U.S. banks, of which this is by far the largest, the *authorities are well aware* that because Marine Midland is so large it could not merge with another U.S. bank, or obtain such a big and much needed injection of new equity capital, without running the risk of falling foul of the U.S. anti-trust laws.

Difficult

Moreover, with its share price languishing at about $14 before the announcement, compared with a book value of near $35, *it would have found* it very difficult to go to the capital market for new equity funds.

The implications of the deal *are wide ranging. Mr. Morris* Schapiro, who heads the specialist brokerage firm of M. A. Schapiro, said this morning that it is a "portent of things to come."

There has been a flood of foreign banks into the U.S., particularly New York, in the past few years, and if a new Bill which is expected to be introduced into the New York State Assembly is passed, the pace is expected to rise.

The proposed laws would reduce taxation on banks and create a tax-free zone in New York *for their foreign business*, removing the inducement to carry out a high proportion of their operations offshore. One bank already known *to be looking* for a U.S. acquisition is National Westminster; there are almost certainly others.

Mr. Michael Sandberg, chairman of Hongkong Bank, said the linked banks would be "among the two dozen or so largest in the world."

He referred to the transactions *as creating a "partnership" and* said that "Marine Midland will continue as an autonomous operanomous operation". Hhis bank had no intention of going for a majority on Marine Midland Board after 1980.

The agreement proposes that three executives from each company will be elected to the Boards of the other.

Mr. Sandberg said that the strengths and weaknesses of the two banks *"dovetail to a remark*able degree," referring in particular the wider geographic spread which would result.

He suggested that the bank was attracted to Marine Midland "by the strength of its management," which he said had "*turned* the bank round in a remarkably short time."

Asked about regulatory approvals, he did not anticipate any difficulty on the question of whether the bank will have to divest its Californian subsidiary. The bank would do what the regulation required.

Under U.S. law it seems certain the Californian subsidiary will have to be divested since bank holding companies cannot cross State boundaries. Foreign banks have some privileges in this area in respect to branches, but not subsidiaries.

On tho background to the deal, Mr. Sandberg paid tribute to his investment bankers Salomon Brothers and specifically Mr. James D. Wolfensohn, fromer chief executive of Schroders in London and head of corporate finance at Salomon, who headed the Salomon team.

For his part Mr. *Duffy* said the proposal would "vastly enhance our banks' competitive abilities. Both executives were cautious about the *future working* relations, with Mr. Duffy talking about exchange of "trainees" between the banks and Mr. Sandberg *saying Hongkong and* Shanghai had no intention of interfering in the day to day operations of Marine Midland.

Landmark in International Banking, Page 27
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£ in New York

—	April 4	Previous
Spot	$1.8700-8710	$1.8640-8650
1 month	0.04 dis-0.02 pm	0.05-0.02 prem
3 months	0.18-0.12 dis	0.11-0.05 dis
12 months	1.10-0.95 dis	0.90-0.75 dis

New State industries role planned for Ministers

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PLANS TO introduce gradual *reforms in the operation of* nationalised industries were launched yesterday by the Government. They are aimed at rationalising relationships between government departments and the industries, and in setting new financial and other performance targets.

But the proposals, contained in a White Paper published by the Treasury, which has overall responsibility for the industries, will not lead to any general legislation in the near future.

Instead, the White Paper's main proposal — that Ministers should have powers to issue specific directions to the industries — may only be introduced on a piecemeal basis. The main financial innovation, that the industries should achieve a 5 per cent. rate of return on new investment, will also only gradually be *brought into use.*

The White Paper also calls for fresh initiatives on industrial democracy, ranging from basic consultation to worker directors, and also backs experiments in the appointment of civil servants and consumer representatives to the industries' boards.

However, it lays down no precise guidelines on these matters and, in line with its general approach, encourages industries to work out their own solutions.

The White Paper has been published at a time when problems in the steel industry have underlined the often tortuous relationships that build up in times of trouble between the industries and their sponsoring government departments. But it does not contain any detailed philosophy on these relationships.

It also rejects radical pro*posals for reforming* the relationships which were put forward in a report published in November 1976, by the National Economic Development Office. This suggested a two-tier structure with a top level policy council and a lower corporation Board.

Instead it accepts the office's *criticisms of current practices* and sets out to rationalise the relationship between the industries and the government through the new system *of* financial and general performance targets, and the power of ministerial direction.

*This is accompanied by a pro*vision that the industries would normally receive financial compensation for any costs incurred in carrying out the directions.

There would also be a system of parliamentary vetting as a safeguard against ministers intervening too often in the industries.

Launching the White Paper yesterday, Mr. Joel Barnett, Chief Secretary to the Treasury, said he hoped the new arrangements would cause Ministers to

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Lloyd's group management move

BY JOHN MOORE

MR. FREDERICK SASSE, head underwriter of the suspended Lloyd's syndicate number 762, which is locked in a $13m. claims row with a Brazilian reinsurer, has asked one of the largest underwriting agents at Lloyd's to take on the management of his syndicate and to play a negotiating role in the settlement of future difficult claims.

The underwriting agent is Merrett Dixey Syndicates and the approach was made towards the end of last week. Although discussions have not yet been completed it is understood that Merret Dixey would take on the administrative work of the Sasse syndicate.

But there is no possibility of integration of the 109 names of the Sasse syndicate with Merrett's own syndicates. Merrett Dixey would be offering *only management services.*

The Sasse syndicate was suspended last December by the Committee of Lloyd's when it became clear that the Brazilian reinsurance group Instituto de Resseguros do Brasil was not prepared to settle claims made on it by Sasse. Since then the claims have been steadily rising and now stand at $13m.

In February Sasse issued a writ against IRB, which then formally repudiated the insurance. The case will come before a court in May.

The dispute arises from 1,300 fire and damage to property contracts on properties, mainly in the New York area, made through the Sasse syndicate's Florida agents, Den-Har Underwriters, which gave cover *in* each case up to the first $500,000. Unde r the terms of reinsurance IRB were on risk for the first $100,000 of any claim.

Of the claims made so far, 140 fires are believed to arise from arson cases.

If the Sasse syndicate was to be managed by Merrett it would not mean that its suspension would automatically be lifted. This would depend on the Committee of Lloyd's being satisfied that the syndicate was solvent after the completion of the annual audit, which is still in progress.

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FEATURES

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'No surrender' on Moro despite support for deal

BY DOMINICK J. COYLE AND PAUL BETTS

ROME, April 5.

THE NEW Italian Government is understood to have secured virtually all-party support in private for its policy of "not surrendering to blackmail" over the kidnapping of Sig. Aldo Moro, the former Prime Minister. But there are believed to be some elements within the ruling Christian Democrat (DC) Party in favour of reaching a compromise on humanitarian grounds.


Sig. Aldo Moro

Sig. Giulio Andreotti, the DC Prime Minister, has admitted to parliament that the massive police hunt for the kidnappers has, so far, yielded no results, although he claimed that some significant leads were being followed. A large number of arrests have been made, but most of the people involved are known Left-wing activists with no apparent involvement with the Red Brigades' leadership. The extent of the round-up has already drawn criticism from the Italian Communist Party.

On the other hand, communiques from the kidnappers have hinted that an exchange might *be possible, perhaps releasing* Sig. Moro for known terrorists already in jail, or for Red Brigade leaders currently standing trial in the northern city of Turin.

The latest communique incorporates what purports to be a letter from Sig. Moro to the DC Secretary-General, Sig. Benigno Zaccagnini. The letter implies that the Government should con*sider a deal with the terrorists* urgently. The authorities have yet to confirm the authenticity of Sig Moro's signature. The DC Party leadership, which met again here this morning, insists that their President would write such letters only under extreme duress.

Whether the communique is authentic or not the Italian authorities are still refusing to disclose any details of an earlier communication which Sig. Andreotti has confirmed went to Sig. Moro's private office.

The assumption, for which there is no official guidance, is that conditions for the release *of the former Prime Minister* may have been given in that letter.

The Vatican is taking a special interest in this kidnapping. Pope Paul enjoyed a close personal friendship, both during his papacy and before, with Sig. Moro.

The Vatican is concerned not to act unilaterally. All that is being said officially is that its good offices are available. What is necessary, said a Vatican spokesman, is a "clear signal" from the kidnappers, and an assurance that the Church will not be used for "propaganda effect."

This readiness of the Vatican to intervene has, in fact, annoyed greatly some hardline elements in the Government who insist *that no deals can or will be* done with the terrorists; but it has encouraged other DC party forces who insist that an intervention on humanitarian grounds would not be incompatible with upholding the authority of the state in what all parties see as being a direct challenge to it from the extremists.

Brezhnev sees border exercises

BY DAVID SATTER

MOSCOW, April 5.

MR LEONID BREZHNEV, the Soviet President, to-day watched comprehensive military exercises at a location in the Soviet Far East not far from the scene of violent clashes between Soviet and Chinese troops in 1969.

Mr. Brezhnev was accompanied by Marshal Dmitri Ustinov, the Defence Minister. The exercises were held in the area of Khabarovsk, a city of 500,000, some 25 miles from the Chinese border.

Mr. Brezhnev's presence at military exercises so close to the sensitive border, coupled with an earlier visit to a missile unit in central Siberia and to troops near Chita, was almost certainly intended as a message to the Chinese that the Soviet Union has no intention of withdrawing its troops from the area.

The area where the exercises took place is not far from an island in the Ussuri River which was the scene of clashes between Soviet and Chinese troops in 1969. A two-hour hand-to-hand battle there reportedly left 31 Soviet soldiers dead.

Tass said that in viewing the exercises, Mr. Brezhnev noted the "good co-operation" between motorised reflemen, tankmen, artillery men, anti-aircraft gunners and pilots. The news agency said that Mr. Brezhnev called on the men to perfect their combat training and political education and "perform their military duty with honour."

The participants in the exercise were said to have expressed their approval of Soviet Foreign and domestic policy and assured Mr. Brezhnev of their readiness to "vigilantly stand on guard of our Socialist Motherland."

Mr. Brezhnev was on the eighth day of a Siberian tour which began shortly after the rejection by Peking of a Soviet proposal for a joint declaration of principles. The Chinese said the proposal was rejected because there was no hint of a solution to the nine-year-old border dispute.

There are believed to be 43 Soviet divisions now stationed along the Chinese border.

Yugoslavia prepares for changes in constitution

BY ALEKSANDAR LEBL

BELGRADE, April 5.

THE YUGOSLAV League of Communists has begun the run-up to the party's important 11th national congress which is designed to confirm the constitutional arrangements for the eventual post-Tito period and introduce further democratisation of party procedures.

All the six constituent republics and two autonomous provinces are scheduled to hold their own preparatory conferences before the national conference in Belgrade from June 20 to June 23. The first of such conferences in Slovenia has just ended.

One of the most important organisational changes expected to be endorsed at the congress will be a reduction in the size of the presidency of the central committee, to make it more of an executive body, coupled with an enhanced role for the plenary sessions of the central committee itself.

The new LCY presidency will contain leading personalities from the Yugoslav republics and will include President Tito's oldest and most trusted associates like Edvard Kardelj and Vladimir Bakaric.

The most interesting doctrinal innovation expected to be ratified by the congress is a significant modification to the traditional Communist concept of democratic centralism. This hall-mark of Communist Party internal organisation allows debate before decisions are reached followed by total adherence to the subsequent majority decision and the prohibition of any form of organised intra-party factions.

What the Yugoslavs are expected to ratify at their June congress is a system which will continue to bind party members to majority decisions but will allow them to continue to hold and air their minority views within LCY organisations.

Portugal near accord with IMF

By Jimmy Burns

LISBON, April 5.

SOURCES CLOSE to Portugal's negotiations with the International Monetary Fund (IMF) are optimistic that agreement will be reached by the middle of next week.

The talks with the IMF resumed a week ago. Both sides are still comparing figures, particularly those concerning the country's economic performance since the minority Socialist Government introduced an austerity package in February 1977. This package included a devaluation of 15 per *cent. on increase in interest rates* and higher taxes.

The Portuguese negotiating team is trying to convince the IMF that to set a target for the reduction in the balance of payments deficit, the financial year should be modified to a period lasting from March 1978 to March 1979. It is believed that given the political crisis that beset Portugal following the downfall of the minority Socialist government in December, a reduction of the balance of payments deficit to between $800m. and $900m. by next January would be difficult.

Inflation slowing down in EEC

ONLY two EEC member states, Denmark and Italy, still have double digit inflation, according to the latest EEC figures, writes David Buchan in Brussels. The annual rate of consumer prices rises in February was 13.1 per cent. in Denmark and 12.7 per cent. in Italy. For the Community as a whole, the rate of increase was 8.1 per cent., compared to 8.3 per cent. in January and 9 per cent in December 1977.

The U.K., France and Ireland all recorded consumer price rises of about 9 per cent. over the same period, while in the other four EEC states the rise was less than 6 per cent., with West Germany the lowest at 3.1 per cent.

Meanwhile, industrial output rose by a modest 1.8 per cent. over the year up to January, with 3 per cent. growth in the capital goods sector but complete stagnation in the consumer goods sector.

Europe unions protest

West European unions joined forces yesterday in a day of protest against high unemployment timed to exert pressure on EEC Governments before their summit in Copenhagen on Friday and Saturday. Reuter reports from Paris. Workers in Spain, Italy and Greece went on strike for between one and four hours, but in most countries the protest was confined to rallies, appeals to Governments, and distribution of leaflets.

Shell court victory

The French subsidiary of Shell yesterday won a preliminary court case against the French consumers' organisation which had blamed it for the Amoco Cadiz tanker disaster and called for a boycott of Shell products in France. Reuter reports from Paris. The Union Federale des Consommateurs, was ordered to pay Frs.10,000 damages

Swedish GNP down

Sweden suffered a 2.5 per cent. cut in its gross national product last year, according to National Bureau of Statistics figures. Industrial production was down nearly 4.5 per cent., compared with 1976. Investments, steadily declining since a 1974 peak, were cut by 3.4 per cent.

Polish anniversary

This year's 35th commemoration of the Warsaw ghetto uprising will be the biggest since Poland broke diplomatic relations with Israel in 1967 as a result of the Six-Day War, writes Christopher Bobinski in Warsaw. It will also be the first time since 1967 that prominent Israelis will attend the ceremonies

Swedish fighters

Austria is expected to announce soon whether it will buy 16 Swedish Saab-Scania Viggen 37 supersonic fighters for its air force. The SKr.500m. (£60m.) order would give Saab-Scania a much needed boost as they have not yet won any foreign sales for the Viggen.

Belgian unemployment

Belgian unemployment fell to 284,118 or 7 per cent. of the working population at the end of March, from 290,874 or 7.2 per cent. at end-February, a national employment office official told Reuter in Brussels.

WORLD ENERGY OUTLOOK

IEA expects no big oil price increa[se]

BY ROBERT MAUTHNER

THE 19-nation International Energy Agency (IEA) is expecting oil market conditions to remain relatively favourable to consumer countries until the early 1980s, according to the organisation's executive director, Dr. Ulf Lantzke.

The agency's experts still felt that the energy-saving policies of the consumer countries would prevent an oil price explosion in the next few years. But from about 1985 onwards an annual rise of some 2.5 per cent. in prices could be expected.

Dr. Lantzke was briefing journalists before the meeting of the IEA governing Board in Tokyo on April 12 and 13. He said that the impact of energy-saving programmes since the four-fold oil price rises in 1973 on total energy demand and imports had been "quite encouraging." On the other hand, their effect on oil requirements alone had been limited and much greater efforts in this field were needed.

The latest provisional figures prepared by the agency show that the OECD area's total imports of oil rose by 12.1 per cent. from 1.14bn. tonnes in 1972 to 1.28bn. tonnes in 1977. U.S. imports increased by a massive 87 per cent. from 221m. to 414m. tonnes. Spain's imports rose by 43 per cent. and those of Japan by 17.3 per cent. during the same period.

On the other hand, the U.K., thanks mainly to North Sea oil, reduced its imports by 53 per cent., France by 3.6 per cent. and West Germany by 0.2 per cent. Italy's imports rose marginally by 1.2 per cent. during the five-year period.

Oil as a proportion of total energy supplies in the OECD area has remained virtually steady at 52 per cent. between 1972 and 1977. The share of solid fuels and gas has fallen marginally by 1 per cent. to 19 and 20 per cent. respectively. At the same time, the share of nuclear energy has gone up from 1 per cent. in 1972 to 3 per cent. last year.

A slightly more optimistic picture of the effect of energy-saving measures is given by the IEA's figures for total energy requirements per unit of GDP. These show that 1.5 tonnes of oil was needed in 1972 for each $1,000 of GDP in the OECD area as a whole. Last year the ratio had fallen to 1.38 tonnes. Even in the U.S., this figure declined from 1.58 to 1.46 tonnes during the same period.

Stressing once again the great importance which the IEA attached to the adoption of President Jimmy Carter's energy-saving programme, Dr. Lantzke said that, whatever progress had been made to reduce the world demand for energy, it was not sufficient to achieve the objectives set by IEA ministers at their last meeting in October, 1977.

On that occasion, the ministers set up a group import target of 26m. barrels per day (b/d) for 1985. That was only some 4m. b/d higher than their present combined imports and 6m. b/d less than the projected imports of the area from OPEC in 1985, on the basis of present energy policies.

W. German jobless figures fall

BY ADRIAN DICKS

BONN, April 5.

UNEMPLOYMENT in West Germany fell during March by 125,000 to just under 1.1m., with a corresponding drop in the percentage unemployment rate from 5.4 to 4.9 per cent.

However, both the non-political Federal Labour Office, which issues the figures and administers the unemployment benefits system, and the Bonn Government were quick to point out that the improvement last month was strictly seasonal. The total number of people out of work was, in fact, some 14,000 higher than in March 1977, while the unemployment rate was also a little above the 4.8 per cent. registered a year earlier.

Herr Josef Stingl, head of the Labour Office, described the situation of the labour market as "miserable" and said that he could discern no sign of a strengthening in the fundamental economic conditions of the country. He stressed that most of the drop during March was accounted for by the seasonal increase in hiring in the building sector and other outdoor sources of employment, which had been unusually slack during February because of hard winter weather.

The unemployment rate for full-time workers, at 4.6 per cent., showed a slightly greater improvement than the total rate, yet was a little higher than the 4.4 per cent. registered in March 1977. Nearly all of the improvement in the March figures was accounted for by this category.

The number of unfilled vacancies rose by 23,600 in March to 247,000, again mainly for full-time workers. Thus, at least one part of the West German structural unemployment problem, that of women wanting part-time jobs, appears to have shown little change.

One of the few more hopeful elements in the figures was the decline of about 8 per cent. in the number of young people under 20 who were out of work, to a new total of 92,000, suggesting that there may now be some return from enhanced training and apprenticeship schemes, as well as a response to the seasonal factors.

Metalworkers vote on pay deal

BY OUR OWN CORRESPONDENT

BONN, April 5.

THE WEST GERMAN metal and engineering industry remained in a state of uneasy suspense to-day, pending ballots of union members in the south-western region of North Wuerttemberg-North Baden which will determine whether Monday morning's hard-argued wage settlement can be made into the basis of a durable peace.

IG-Metall, the union that represents about 305,000 out of 560,000 workers in the region, was beginning to organise the ballot on to-day's late shift. Some 90,000 of its members are still on strike pending the result.

Meanwhile, at factories where the employers this morning lifted their retaliatory lock-out (which had affected 146,000 more people), there was still no return to normal activity. Herr Franz Steinkuehler, the IG-Metall regional leader, denied that the union had anything to do with this, but said that it was up to the employers themselves to "invite back people they have put out on the street."

Elsewhere, the employers' federation, Gesamtmetall, reiterated that it was determined to let the North Wuerttemberg-North Baden settlement of a 5 per cent. pay rise, plus job and pay classification guarantees, become the norm for other regions. However, Gesamtmetall was careful to say that its members' offers in other regions were not "ultimata" and that the bargaining procedure was not exhausted.

Meanwhile, there was no substantive progress to-day in the third round of negotiations for a new wage deal in the public sector, where the federal, State and local governments are themselves the employers. So far, the two sides appear to be still arguing about the terms of the negotiations. But very roughly, the Government side is offering about half of the 7.5 per cent., plus extra holidays, that the unions are demanding.

Herr Werner Maihofer, the Interior Minister, who represents Bonn in the negotiations, said to-day that the 5 per cent. pay rise agreed in Stuttgart for the metal industry might offer some guide for the rest of the private sector, but had no relevance for the public service. The settlement is expected to add about 5.5 per cent. to the industry's wage bill, allowing for overtime and for the DM411 lump sum provision, as compared to the Government's target of a 5.5 per cent. increase in total incomes this year.

Kyprianou urges restraint

BY OUR OWN CORRESPONDENT

NICOSIA, April 5.

PRESIDENT Spyros Kyprianou said to-day he had high hopes that the U.S. Congress would reject President Jimmy Carter's plan to end the arms embargo on Turkey. He also urged Greek Cypriots to show self-restraint and not to stage anti-American demonstrations.

But as he spoke, about 3,000 Greek Cypriot schoolchildren demonstrated in Nicosia's main square, chanting anti-Carter slogans and denouncing the repeal of the arms embargo.

In his statement, President Kyprianou attacked the Carter Administration's proposal to resume the sale of arms to Turkey. He said this would "strengthen and encourage the Turkish aggressor."

He said there was no justification for lifting the embargo while Turkish troops occupied 40 per cent. of the island.

Metin Munir adds from Ankara: informed sources here said that President Carter's decision was prompted by the fear that Turkey would have to reduce its NATO commitments if the embargo were not lifted.

Diplomatic sources said the U.S. State Department was particularly alarmed by a tough speech of Mr. Bulent Ecevit the Turkish Prime Minister, in the Turkish Senate on March 23.

He said then that Turkey could not rely on NATO and the U.S. for its defence and must consider other opportunities open to it.

THE WORLD SHIPPING MARKET

Owners have that sinking feeling

BY OUR ATHENS CORRESPONDENT

THE WORLD shipping crisis has been likened, by Greek shipping experts, to an epidemic from which only the very healthy are likely to survive. According to these experts, the next three years will witness a complete restructuring of the shipping industry. Small and financially weak shipowners will sink and national fleets and ships owned by oil companies are likely to dominate the market.

The Greek shipping fraternity —composed of highly individualistic and dedicated men with a long seafaring tradition—to-day owns a fleet of some 4,900 ships totalling just under 50m. gross tons.

Although they appear to be riding out the storm in the industry a little better than their foreign competitors (so far only about 10 per cent. of Greek-owned ships are laid up), it is proving a hard time for many and some have failed to remain afloat. About 62 per cent. of the Greek fleet is made up of cargo vessels and 35 per cent. of tankers. The problem is that about 90 per cent. of it is involved in tramping (ships working around the world carrying any cargo that is going).

In the last 20 years the shipping market has had its ups and downs with the depressions of a few years usually followed by spectacular booms, the present crisis began about three years ago when a steep increase in oil prices led to a contraction of oil consumption and therefore less demand for tankers. This was compounded by the subsequent measures to contain inflation which reduced industrial production in the West and affected world trade.

About a year ago, an overabundance of dry cargo vessels, brought about by attractive terms offered by shipyards and easy loans from banks, extended and deepened the crisis and many shipowners found themselves with their backs to the wall.

Big oil companies estimate that the market will not improve for at least another three of four years and are laying up VLCC's (very large crude carriers) — tankers of over 200,000 tons. According to one source, the only ones who will be able to pull through this unprecedented crisis will be a handful of large shipowners who have sufficient capital reserves, the oil companies and state-owned fleets.

These three categories are taking advantage of the present situation by selling out-dated ships and replacing them with second-hand (four to five years old) modern tonnage which is available at very attractive prices. Such Greek shipowners include the Niarchos, Onassis and Livanos groups.

In the history of Greek shipping industry, the pattern has been for newcomers to buy old ships. Those newcomers are now being forced to sell their ships for scrap. When good times come back, new ships—dry cargo and tankers—will have price tags almost too high for individual shipowners who now own or control about 60 per cent. of tonnage. Their share of the market is likely to dwindle to about 20 per cent., with the rest being held by national fleets and oil companies. Newcomers in the state-owned fleets group include Saudi Arabia, Algeria and Iraq. They are joining earlier members such as the USSR, Poland, East Germany and Bulgaria.

Individual shipowners riding out the present storm include those who did not over-expand and those who have long-term charters, in other words those who have followed a conservative policy. Those who were over optimistic and believed the setback was only temporary are in deep water.

Individual shipowners riding out the present storm include those who did not over-expand and those who have long-term charters, in other words those who followed a conservative policy. Those who were over-optimistic and believed only in a temporary setback of the market are in deep water.

In trouble with them are leading U.S. and European banks which extended credit for new ships. Before the crisis these banks granted shipowners loans covering 70 to 80 per cent. of the value of a ship. But whereas a 100,000-ton tanker was then worth $15m. (and banks advanced as much as $12m. of that), on to-day's market the same ship's value is not more than $2.5m., not far off its scrap value of around $1.5m.

With shipowners not servicing their loans, the banks have two possibilities—either to postpone repayment of the loans indefinitely or take over the vessel and sell it in a depressed market. One example involves about 130 ships totalling 2.6m. tons ordered from Japanese shipyards in recent years.

The slump in the freight market, together with the change of parity between the yen and the U.S. dollar has forced Greek shipowners to ask the Japanese Shipbuilders Association for a two-year moratorium on instalment payments for these ships. The Japanese have refused on the grounds they are already competitive and a two-year stand-off on the repayments would make them even more competitive, in breach of OECD regulations.

As a shipowner explained, when the ships were ordered the U.S. currency stood at Y340 to the dollar. The yen now stands near 220 to the U.S. dollar and Greek shipowners are having to pay almost double. Many of the Greek shipowners involved now reportedly prefer to pay a cancellation fee or lose their down payments instead of going ahead with their deals.

In order to meet the general slump in the dry cargo freight market, Greek shipowners are considering a number of possibilities. One of these proposals, put forward by Mr. Anthony Chandris, President of the Union of Greek Shipowners, suggests that each owner voluntarily lays up 25 per cent. of capacity in ships of over 4,500 gross tons. This would be relaxed gradually as demand improves. Another proposal suggests that shipowners lay up one out of every three of their ships of over 4,500 gross tons.

The problem is that everyone has to agree to such a proposal if it is to work. Otherwise, it would work in favour of those not joining.

No final decision yet by Carter on neutron bomb

BY DAVID BELL

WASHINGTON, April 5.

PRESIDENT Carter has not yet finally deYcided to scrap the neutron bomb, Congressional leaders reported to-day after breakfast with him at the White House.

The meeting followed criticism of the President's reported decision to abandon development of the weapon, which is designed to kill people with radiation while causing relatively little damage to property. Reports that Mr. Carter had decided to stop the bomb also caused consternation in Europe.

Mr. Jim Wright, one of the Democratic leaders in the House, said after seeing the President to-day that Mr. Carter has made no final decision and "will discuss it further with members of Congress before announcing his decision."

Although White House aides continued to say privately last night that the President had been leaning towards cancelling the neutron weapon, there were reports that Mr. Carter has found it particularly difficult to make up his mind on the subject and has appeared to change it at least once in the past month.

Senator Robert Byrd, the Senate Democratic majority leader, echoed the view of the Defence Department to-day and said that he had urged the President to go ahead with the weapon because of the Soviet build-up in Europe. Last night, Sen. Howard Baker, the Republican minority leader, said that to scrap the weapon would be "just another mistake in a long line of mistakes by this Administration."

Some Pentagon sources suggested that the Administration may be using the neutron bomb issue as a signal to the Soviet Union, and that Moscow may respond by offering, perhaps just as obliquely, some kind of concession on the Soviet SS20 missile which is scheduled to be deployed in Europe. The U.S. has been pressing the USSR at least to cut the planned total of these missiles.

The Pentagon argument, which now appears to be supported, at least tacitly, by Britain and West Germany, is that the neutron bomb is of central importance, given the number of Soviet tanks and artillery pieces ranged against NATO in Europe. Without it, the Defence Department believes Western forces will be very vulnerable.

The Administration is also aware that any decision to stop the bomb now would appear to be a concession to the Soviet propaganda campaign against the weapon. Sen. Sam Nunn of Georgia said yesterday that it would "place in the minds of the Soviets the image of a timid and hesitant Government that lacks the courage to confront the difficult decence choices ahead."

It thus seems possible that, within a few days, the President will announce that the U.S. will nto consider cancelling the bomb unless the Soviet union is prepared to make some similar concession. While that may induce Moscow to agree to some new formula, it will undoubtedly make it harder for the President to get any new strategic arms agreement through Congress, where doubts about Soviet intentions are now more pronounced than at any time for years.

Bonn optimism on N-fuel

BY JONATHAN CARR

BONN, April 5.

THE WEST GERMAN Government believes there are good prospects of a satisfactory solution to the dispute between Euratom and the U.S. over American nuclear fuel supplies.

This emerged to-day following a report to the cabinet by Herr Hans Dietrich Genscher, the Foreign Minister, on his visit to Washington for talks with President Jimmy Carter and Mr. Cyrus Vance, the Secretary of State.

The nuclear topic is now to be taken up at the summit meeting of European Community leaders in Copenhagen on Friday and Saturday. Government officials do not flatly state that the issue will be resolved there, but they feel that progress is likely to be made.

In theory the U.S. may cut off shipments of enriched uranium to Europe from Sunday if the Nine fail to agree to renegotiate the arrangements under which American nuclear fuel is supplied. France has so far refused such renegotiation, the need for which arises because of the provisions of the new American Non-Proliferation Act.

A uranium embargo would eventually have most serious consequences. But officials here insist that no ultimata were given to Herr Genscher in Washington and that the Americans were ready to draw the effects of the new law into the continuing international talks on nuclear fuel-cycle evaluation.

The Americans also assured Herr Genscher that the law did not affect the 1975 accord under which West Germany will deliver nuclear power stations and enrichment facilities to Brazil.

At a news conference to-day, the Government spokesman came under close questioning about Herr Genscher's discussions with U.S. leaders on the neutron bomb.

The spokesman noted that a decision on whether to produce the bomb lay with the U.S. alone and he insisted that no such decision had yet been taken.

West Germany is believed to be willing to agree to deployment of the bomb in Europe if President Carter gives the go-ahead for production and if insufficient progress is then forthcoming in East-West disarmament talks.

Sr. Jorge Diaz Serrano, director-general of Pemex, the Mexican State oil concern, signing a $1bn. loan agreement in London yesterday.

EXPORTS AND IMPORTS OF OIL AND GAS PRODUCTS

(in millions of dollars)

	1974	1975	1976	1977*
Exports				
Crude oil	61.9	393.7	420.0	987.3
Natural gas	0.1	—	—	5.4
Refined and other petroleum products	62.0	25.4	15.8	22.8
Petrochemicals	9.5	4.3	0.3	3.3
	133.5	423.4	436.1	1018.8
Imports				
Crude oil	79.5	—	—	—
Refined and other petroleum products	271.9	225.6	126.1	51.7
Petrochemicals	70.4	57.0	103.8	156.5
	421.8	282.6	229.9	208.2
Net exports (imports)	(288.3)	140.8	206.2	810.6
Net change from preceding year	(18.5)	429.1	65.4	604.4

Note: For the years 1973 to 1975, exports are calculated at an exchange rate of Pesos 12.50 per dollar. For 1976 and 1977 the rates of exchange used are Pesos 20.00 per dollar and Pesos 23.00 per dollar, respectively.

(unit volume)

	1974	1975	1976	1977*	1978**
Exports					
Crude oil (BPD)	15,902	94,197	94,180	202,016	428,900
Refined products (BPD)	18,242	7,037	2,007	4,525	57,600
Petrochemicals (tons per day)	57	38	—	83	1,741
Imports					
Crude oil (BPD)	16,942	—	—	—	—
Refined products (BPD)	44,897	49,726	57,754	9,493	6,255
Petrochemicals (tons per day)	448	491	1,429	1,261	1,298

* Preliminary figures. ** Projected

Mexico prepares to exploit its oil bonanza

BY HUGH O'SHAUGHNESSY

MEXICO IS back in the big league of oil producers and yesterday among much bankers' bonhomie at the Guildhall a group of the world's largest financial institutions made out a cheque for $1bn. to help the country's oil industry.

The borrowing was by Petróles Mexicanos (Pemex), the state oil concern which has been running the country's industry since 1938 when General Lázaro Cardenas, the Mexican President of the day, nationalised the foreign companies.

The bankers know a good borrower when they see one and Pemex was able to chip off a quarter of a per cent. from the rate of 1½ per cent. over inter-bank rates that it accepted for its $350m. last year. It also cut another quarter of a per cent. off the 1 per cent. management fee and pushed the term up from five years to 10.

The better terms that Pemex has obtained is a reflection of the phenomenally good results that the company's exploration efforts—which have been centred round the southern shores of the Gulf of Mexico—have got over the past few years. From 1973 to 1977 average crude oil production more than doubled, from 451,806 barrels per day to 981,069 bbd, with natural gas rising from 1.8bn. to 2bn. cubic feet a day. Over the same period export revenue has gone from $24m. to $207m., and this year should more than double to $487m.

A few years ago it was expected that Mexico would reach its optimum production and export targets of 2.25m. bbd and 1.1m. bbd respectively by 1982. This date is now put as 1980.

Exploration, which is being carried out in 21 of the 31 states, is continually yielding big new finds. Talking to the bankers yesterday, Sr. Jorge Diaz Serrano, Pemex's director-general, pointed out that while the Poza Rica field, which has been Mexico's staple producer for decades, covered 130 square kilometres with an average oil-bearing layer of 70 metres thickness, the Bermúdez reservoir, recently discovered and not yet fully delineated, covered 150 square kilometres with an average pay zone of 450 metres. The Cactus reservoir extends for 130 kms and is 425 metres thick, while the oil-bearing rocks in the as yet unmeasured Agave field are 1,200 metres thick.

With an underground and undersea bonanza now being counted up in Mexico, Pemex is beginning to ensure the export markets it feels it will need. On the Gulf of Mexico and the Pacific, terminals are being rapidly prepared to accommodate increasingly large tankers which will carry the crude to export markets.

With an eye to markets on the east coast of the Western Hemisphere and in Europe, berths are being provided at Pajaritos on the Gulf coast for tankers of up to 150,000 tons. On the Mexican Pacific coast at Salina Cruz, tankers of up to 250,000 tons will be able to berth and load with oil for Japan.

The Mexicans are investigating the possibilty of using tankers which have brought crude to the eastern U.S. from the Eastern Hemisphere, and which would otherwise return empty, to call into Mexican ports and bear away cargoes to Europe and the Mediterranean. Britain, Spain, Israel and Sweden have become clients of Pemex.

Sr. Díaz Serrano makes it clear that the production and export targets to be reached in 1980 may be altered one way or the other in the light of market sentiment.

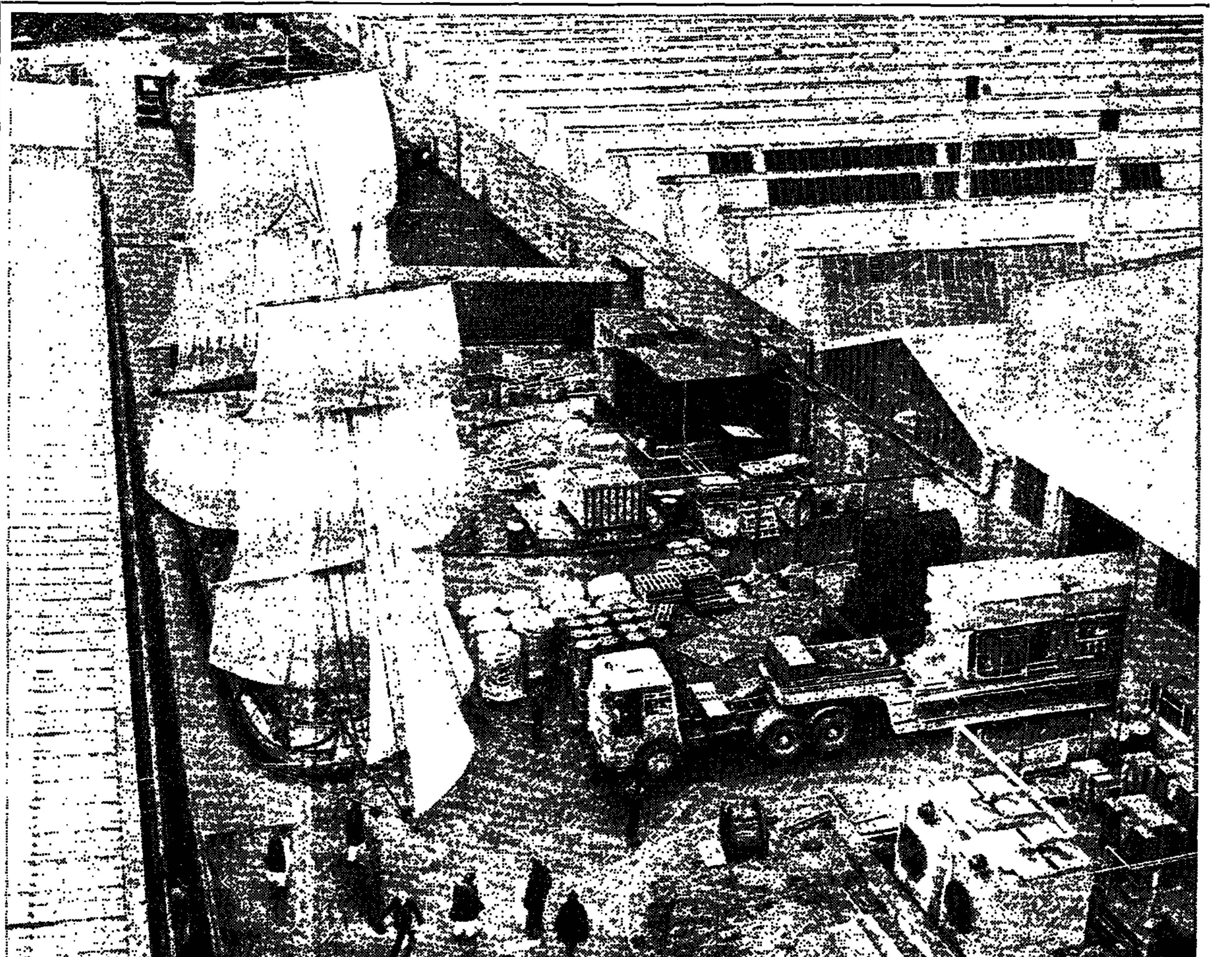
On the delicate question of whether Mexican fuel would ever come to rival Venezuelan oil in the U.S., Venezuela's biggest export market, he diplomatically says that Venezuelan and Mexican oils will complement each other there.

Sr. Diaz Serrano is also standing pat on $2.60 per thousand cubic feet as the price the U.S. will have to pay if it wants Mexican natural gas. The U.S. is offering considerably lower. The Pemex chief says that the Mexican price is comparable to the landed price of natural gas the U.S. is buying from Algeria and Indonesia.

On the vexed question of whether Mexico should join the OPEC, Sr. Diaz Serrano says that he can see no point in joining.

"We are selling 33-34 API crude at $13.40 a barrel and it's being sold for $12.70 a barrel in the Middle East." Far from undercutting OPEC prices," we are getting better prices than OPEC countries," he argues, adding that he cannot see Mexico in OPEC even in the distant future.

For the future, Sr. Diaz Serrano foresees Mexico acquiring a good deal of British oil expertise if British engineering concerns form partnerships with Mexican companies. Pemex, he says, also plans co-operation with state-owned oil companies like BNOC, particularly in the field of marketing. He dismisses accusations that Pemex has borrowed too much from foreign banks. "If we wanted to we could pay off our whole debt in a year by exporting 600,000 barrels of crude a day."



Car sales recover in March

By John Wyles

NEW YORK, April 5.

U.S. SALES of domestically produced passenger cars bounced back in March after several months of substantial decline, although it now appears unlikely that this year will be as good for Detroit as 1977.

March sales do, however, provide evidence that consumer spending is recovering following the harsh winter. The car figures will be seen by the Administration as further support for its projection that the American economy will achieve real growth of 4.5 to 5 per cent. this year.

Some 882,850 American-produced cars were sold in March, which was 1.4 per cent. fewer than in the same month last year. However, March 1977 proved to be the peak sales month for the year and one of the strongest selling periods for any year since 1973.

Dealer contests and various promotional exercises helped bring Detroit within hailing distance of last year's record and the American car companies can be expected to maintain their strenuous efforts to keep the momentum going for the next two to three months.

The seasonally adjusted annual sales rate in March was in the region of 9.5m. units compared to 8.4m. and 8.1m. in the previous two months.

The unofficial indications are that import sales in March were at an annual rate of more than 2m. which strengthens analysts' predictions that total U.S. car sales for 1978 are unlikely to be less than 10.5m. and could be close to 11m.

Limit sought on oil majors' coal, uranium holdings

By Stewart Fleming

NEW YORK, April 5.

THE SENIOR anti-trust official at the Federal Trade Commission (FTC), Mr. Alfred Dougherty, will urge Congress to put limits on the coal and uranium properties which may be owned by larger oil companies.

Mr. Dougherty's proposals, to be put to the Senate Anti-trust Committee later this month, would — if they became law — force some major oil companies to divest themselves of alternative energy resources.

Regarding coal, for example, Mr. Doughierty has suggested that an oil company should not own more than 3 per cent. of existing proven reserves — excluding unleased federal reserves. Such a ceiling would, force companies such as Exxon, Continental Oil, Occidental Petroleum and Shell Oil to get rid of some of their extensive coal reserves.

The chances of such restrictive legislation being passed, however, must not be counted high. It seems unlikely for example, that Congress in its current mood would press for such divestiture, although it might be persuaded to put some limit on future acquisitions to prevent the further concentration of energy resources.

Even this move can scarcely be seen as imminent, however.

Congress presses for cut in social security taxes

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, April 5.

PRESIDENT CARTER will make a major speech on inflation within the next few days, it was announced to-day, but other elements of his anti-inflation policies remained caught up in assorted Congressional imbroglios.

Mr. Michael Blumenthal, the Treasury Secretary, told a Congressional sub-committee to-day that much more study was needed before any decision to cut planned increases in Social Security Taxes was taken.

But an accurate measurement of Congressional sentiment was provided to-day when the Democratic house caucus voted by more than three-to-one to support a rollback in social security levies. This reflected the considerable pressure from constituents on Congressmen for such action, brought home forcefully to many representatives when they went back to their districts for the Easter recess. The caucus vote is not binding on the House or on the relevant committees.

Some committee chairmen, such as Mr. Russel Long of Senate Finance, do not wish to tinker with social security at this stage. But, in an election year, constituency pressure is a powerful force, more so on the House than the Senate, where a third of the seats are contested in any one year.

The House Budget Committee voted last night to rescind the increase for next year and to cut accordingly the $24.5bn. tax package proposed by the Administration. Various ideas are being canvassed, including that of Mr. Al Ullman, chairman of the House Ways and Means Committee, which would divert the proceeds of the proposed tax on crude oil to pay for the reduction in social security levies.

But, in his testimony this morning, Mr. Blumenthal, the principal architect of the tax package and main Administration opponent of a cut in social security taxes, gave little hint that a compromise or bargain might be acceptable.

He explained patiently that by far the greatest part of the increase last January was mandated by legislation passed earlier in the 1970s. He also pointed to the considerable number of independent studies under way on the social security system.

But the nub of his argument was advice against "hasty action" in the form of a rollback. This would be unnecessary, he said, "because the income tax reduction and reform proposals submitted by the president—so sorely needed to meet other important economic and social objectives—would at the same time offset the near-term scheduled rise in social security taxes."

The administration also warned again last night that the President would veto the Emergency Farm Aid Bill now before Congress because of its inflationary implications. This has passed the Senate and has now been largely accepted by a joint conference committee of both chambers. The House is expected to pass judgment on it next week.

The administration's view is that the bill would add at least 2 per cent. to retail food prices over the year and amounts to an election year present to farmers. Unfortunately, the administration also stands culpable on that charge, since it did not take an initial tough stand on the proposals while it was courting the support of key senators for the Panama Canal treaties.

Meanwhile, Mr. William Miller, the new chairman of the Federal Reserve, has come up with his own inflationary predictions. In a letter to Congressman Henry Reuss, he forecast a 6½-7 per cent. rise in the cost of living this year, with real growth in the year declining to the 4-4½ per cent. range.

Officially, the administration maintains that the inflation rate is closer to 6 per cent., while growth will be nearer 5 per cent. But, privately, officials do not deny that the underlying rate of inflation has probably edged up.

Canadian gas line backed

BY VICTOR MACKIE

OTTAWA, April 5.

THE CANADIAN Government legislation giving the green light to the construction of the $10bn. northern gas pipeline received approval in the Commons late last night. It was rushed to the Senate where it will receive final approval.

Liberal, Conservative and Social Credit Members of Parliament joined in support of the Bill that will permit construction of the gas line from Alaska through the Yukon, Alberta and Saskatchewan to the U.S.

Only 11 New Democrat opposition MPs were against the Bill. They said the agreement with the U.S. was "ill conceived hastily considered and not in the nation's interest." The NDP wants the pipeline built only after the agreement is re-negotiated.

Mr. Ray Perrault, Government Leader in the Senate, said to-day, that the Upper Chamber will deal with the legislation as quickly as possible. He said it could pass through the Senate by next week.

That would mean the Canadian Government and Foothills Pipe Lines (Yukon) builders of the line, can almost immediately start preliminary steps leading to the beginning of construction in 1981.

The Government wants the Bill passed through both Houses as soon as possible so that it will be on the statute boks before the dissolution of this Parliament. Dissolution is expected in mid-April with a June election on the cards.

Reuter adds from Hamilton: International Harvester of Canada said that it will shut its plant here for ten weeks beginning June 5, laying off most of the 1,500 employees.

The move is the result of dropping sales of agricultural implements, it said.

U.S. COMPANY NEWS

Curtiss issues proxy material, Prudential Canadian deal, Minnesota Title bid—Page 27

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ZAIRE'S ECONOMY

From the sublime to the tragi-comic

BY A SPECIAL CORRESPONDENT IN LUBUMBASHI

THE VAGARIES of Zaire's decaying economy range from the sublime to the tragi-comic. There is, for instance, the Greek businessman here who goes to collect his mail from the central post office. He opens the post box—no mail. *From within*, a hand appears, three Zaires (at official rates $3.75) is placed in it and, miraculously, the mail materialises. The postal official, the businessman explains, has not been paid for eight months.

At the other end of the scale, independent sources report that last year's coffee exports should have produced a foreign exchange inflow to commercial and the central bank of some $450m. Central bank figures, however, show an actual $120m., the sources say. The balance of over $300m.—enough to pay the annual imported food bill and substantially more than the $200 to $250m. loan Zaire is seeking from a consortium led by Citibank—was banked privately abroad, according to the sources.

Despite foreign exchange earnings last year of an estimated *1 to $1.3bn.—65-70 per cent. of* it from copper—Zaire is in a state of decline which experts say will be arrested, but not immediately reversed, if a hoped-for influx of Western investment and International Monetary Fund support achieve their purpose.

The decline in gross domestic product is estimated by independent economists at 5 per cent. annually for 1976 and 1977 and a similar rate is projected for 1978.

Usable roads in the vast former Belgian colony, Africa's third largest nation and potentially one of its richest, are gradually *being surrendered back* to the bush. The internal export route—the ungainly rail-river system from here to the Atlantic port of Matadi—is now carrying at least 10 per cent. less traffic than before the closure of the Benguela railway through Angola in August, 1975.

The absence of planning is shown by the fact that the 1978 budget is now almost three months overdue because no acceptable level of deficit has been agreed with the IMF, financial sources say. Economists in Kinshasa are still awaiting a detailed analysis of the Mobutu plan for revival which the Zairean leader announced last November.

Agriculture, to be encouraged under the plan, has been neg*lected to the extent that a large* proportion of marketed food is imported at an annual cost of some $300m.—much of it from South Africa on the rail route through Rhodesia and Zambia, now carrying more than 50 per cent. of Zaire's trade, the sources *say*.

Inflation in major cities is anywhere between 60 and 80 per cent. In interior centres like Mbuji-Mayi, travellers say, a 50-gallon drum of petrol can fetch up to 1,250 Zaires ($1,600).

Despite, or perhaps because of, the chaotic state of things, between 5,000 and 15,000 foreigners, mostly Belgians but also including Greek and Lebanese, are returning to the country to take up where they were forced to leave off during the 1973-74 "Zaireanisation" (nationalisation) programme. *The policy* was a disaster that greatly reduced industrial and agricultural output, diplomatic sources say. Now foreigners are being offered back 100 per cent. of their former holdings, but must sell 40 per cent. of this to Zaireans within five years.

In official circles it is hoped that their return will help stop the decline in production, but the attraction of Zaire for many foreigners is that it is a suitable case for entrepreneurial wizardry rather than solid, long-term investment. Quick-kill experts flourish in an economy where the "matabiche" (kickback) mentality is deep-rooted and mismanagement and corruption are rife.

These human factors are probably among the most crucial confronting the outside backers President Mobutu is hoping to enlist in support of his plan. Zaire has already agreed to the IMF's demand that the fund provide the number two man in the Banque du Zaire. There is, however, considerable scepticism here about how wide his powers will be in a political system where foreign exchange is used generously as a means of securing a *constituency*, *foreign* economic experts in Kinshasa say.

As many have discovered in the past, any rise to prominence in the state sector of the pro-Western economy is all too easily interpreted as an impending *threat to the established* heirarchy. Talent is thus diverted into a private sector elite that thrives on the spin-offs of costly foreign exchange deals rather than less lucrative but more necessary projects in, say, rural development.

An IMF team is expected in Kinshasa soon to work out the precise terms of a fresh facility. The imprimatur of IMF respectability will be a central factor in raising Western confidence in the sincerity of the new revival plan.

An international banking consortium is expected to sign a long awaited $210m. plus loan agreement within weeks. But even if it does so, the bankers have made disbursement from the loan condition on fresh IMF support being agreed. They are also demanding that Zaire pay overdue principal of $100m. to $150m. of which, however, a substantial figure is covered by deposits with the Bank of International Settlements in Switzerland. Zaire's total foreign debts are estimated to be at least $2bn.

While ten per cent. of copper revenues and 23 per cent. of coffee income is theoretically set aside in special accounts at the central bank for debt serving, Zaire is still defaulting on up to $100m. a year of foreign obligations, according to estimates by foreign economic experts.

The Commercial bank loan is intended to prop up export-oriented industries so as to provide badly needed foreign exchange. Coupled with this is the hope that around ten nations, including the U.K., U.S., Belgium, Iran and Saudi Arabia, will invest in the Mobutu Plan's provisions for agricultural revival, a new, drive-on ferry system for copper exports on the Kasai and Congo river routes to Matadi and for improved non-copper mining efficiency.

Many western countries have an interest in keeping Zaire afloat, if only to recover some of their huge debts. As one banker put it: "You lend someone money, and they are debtors. But if you lend them as much as has been loaned here, you become partners—in addition, resources of cobalt, industrial diamonds and copper give Zaire great potential riches and President Mobutu's firm anti-communist stand *is part of the deal he is* offering the West in return for support.

But without firm management, economists say, there is little point throwing good money after bad. A further complication is that the U.S., if its diplomats in Zaire are to be believed, is no longer willing to take the lead in political and economic support for Zaire against the Soviet and Cuban threat which President Mobutu says he is countering in Africa. Indeed, diplomatic sources say, a tussle has broken out within the "Group of 10" potential investors, with the U.S. insisting on Belgium taking the lead and the Belgians resentfully arguing that it is the U.S. which has a global responsibility to shoulder.

Zaire has no lack of resources and, theoretically at least, is in a far better *position than, say*, neighbouring Zambia. While Zambia is 95 per cent. dependent on copper for foreign exchange, Zaire also has cobalt (1977 estimated production 9,900 tonnes), industrial diamonds (1977 estimate around 12m. carats), coffee (1977 exports estimated at 80,000 tonnes with *a stockpile of 15,000 tonnes now* moving) and oil (1977 estimated 8.3m. barrels).

Like Zambia, copper revenues account for 50 per cent. of government revenue. But the comparison does not go much further. The Zambian copper industry consume two-thirds of the foreign exchange it generates and is running at a loss. Gecamines, the state-owned mining company here, by comparison, is allocated for hard currency production and expansion costs 45 per cent. of its foreign exchange earnings. Ore is of a higher quality here in Shaba province than in neighbouring Zambia. This means that 60 to 70 per cent. of Zaire's mining is open-cast, requiring a smaller expatriate labour force and lower production costs, mining sources say.

Gecamines is required by law to place the remaining 55 per cent. of foreign exchange earnings in central bank accounts, thus contributing to the food bill, annual fuel costs of between $160m. and $170m., and debt servicing.

Zaire's copper production last year is estimated at around 470,000 tonnes and the Gecamines expansion programme should put this well over the half million by 1980. The fact that the programme is continuing has led *to some scepticism about* Zaire's real intentions towards the 15 per cent. production cutback it has agreed with Zambia and Peru.

This is the second and final of two articles on Zaire. A feature in yesterday's Financial Times dealt with the country's politics.

Copper—an important export for Zaire—being mined near Kolwezi in Shaba Province, Zaire.

New Rhodesia guerillas amnesty

SALISBURY, April 5.

THE new multi-racial government here plans to start free entry zones on Rhodesia's frontiers for black nationalist guerillas who want to stop fighting.

The new move to help end the guerilla war was disclosed by Mr. Ernest Bulle, Vice-President of Bishop Abel Muzorewa's United African National Council (UANC), one of four groups in the new transitional government.

This was set up, to lead Rhodesia *to* black rule, under an agreement between the white minority and some black leaders. But it is opposed by the Patriotic Front guerillas, and Mr. Bulle was asked at a Bulawayo rally last night how the new government proposed to stop the fighting. The "free entry zones" would soon be announced, he said.

He said that the zones would be set up at selected points along the borders with Mozambique, Zambia and Botswana.

The Salisbury majority rule agreement was reached by Bishop Muzorewa, the Rev. Ndabaningi Sithole, Chief Jeremiah Chirau and Premier Ian Smith, the Prime Minister. It ignores the Patriotic Front, which claims to control guerillas fighting mainly from bases in Mozambique and Zambia and has promised the war will intensify.

Mr. Sithole and Bishop Muzorewa have said that, once the transitional government is fully in being and once physical arrangements have been made to receive the guerillas, they will issue an order for the fighting men to lay down their arms.

Mr. Bulle said the "free entry zones" will include rehabilitation centres where returning fighters will be questioned about their future intentions by representatives of the three nationalist leaders in the transitional government.

Reuter

By-election test for Vorster

White voters went to the polls yesterday in a South African parliamentary by-election which will give the first indication since last November's general election of electoral support for the Government and the new official opposition, Quentin Peel writes from Johannesburg. The constituency of Springs, where no poll was held in November after the murder of the National Party candidate, Dr. Robert Smith, is considered a safe seat for the ruling party.

Meanwhile, a South African Government official said yesterday the United States may have influenced Israel's decision to observe the United Nations embargo on arms sales to South Africa.

Australian storm

Freak storms have hit Western Australia killing at least five people and causing widespread bushfires which forced the evacuation of 500 people from two townships, Reuter reports from Perth. A spokesman for the State rescue service said the storms and bushfires caused millions of dollars worth of damage to hundreds of homes and crops.

Peking torture

A wall poster has appeared in central Peking accusing the city's former police chief, Liu Chuan-Hsin, of torturing people arrested two years ago in connection with the April 5 riots in Tien An Men Square, Reuter reports from Peking. The 1976 riots broke out after wreaths commemorating *Premier Chou En-Lai during* the Ching Ming festival for the dead were secretly removed from the square.

Singapore money

Singapore's M-1 basic money supply totalled $1.89bn. in February, up 11.9 per cent. from a year earlier, according to the Monetary Authority of Singapore (MAS), says the Asian Wall Street Journal. AP-DJ reports from Singapore.

Philippines alert

Police, including para-military *units, have been placed on full* alert throughout the Philippines to prevent violence in Friday's national elections, Reuter reports from Manila.

Japanese partners

Japanese companies planning to *invest in Britain might* do better by forming joint ventures with British partners than by operating alone, Mr. Alan Williams, Minister of State at the Department of Industry, has said, Reuter reports from Tokyo.

Poll success for Janata in India

BY OUR OWN CORRESPONDENT

NEW DELHI, April 5.

THE RULING Janata Party won a symbolically important parliamentary by-election in Karnal some 80 miles from here, in Haryana state by a margin of around 18,000 votes out of a total of around 392,000 votes cast. Janata's main challenger was Mrs. Indira Gandhi, the former prime minister's Congress (I) party.

By winning the election, Janata has succeeded in calling a halt to *Mrs.* Gandhi's batch of recent electoral successes. She had spoken of a "march to the north," meaning that she had hoped to repeat her triumphs at the polls in South Indian elections in North India.

Although she lost, however, the narrow margin has been seen as a sign by observers that she has gained considerable ground in the north in general and Haryana in particular, an area which turned against her in the 1977 elections which ousted her from power.

Reuter adds from Hyderabad: a curfew was extended in this riot-stricken southern Indian capital until to-morrow as fresh attempts by mobs to set fire to government buildings were reported.

Tension remained high in the densely populated areas of the old city which erupted in violence last Monday. The death toll in clashes with police rose to 12 yesterday after three more people died in hospital from injuries.

Troops in battle dress patrolled the narrow deserted lanes of the old city area. The army was called in last week to quell rioting which followed an alleged rape of a young Moslem woman by policemen, who were also said to have beaten her husband to death.

OPEC to meet in Saudi Arabia

By Our Foreign Staff

THE EMERGENCY meeting of the Organisation of Petroleum Exporting Countries (OPEC), due to be held in Geneva on May 4, is now to be held in Saudi Arabia, the Saudi daily newspaper, al-Riyadh, reported yesterday.

There was no immediate confirmation in Riyadh of the report in the newspaper, which is generally authoritative. But if it turns out to be accurate, it will represent a considerable triumph for Saudi Arabia.

A central item to be discussed at this OPEC meeting will be the declining value of the U.S. dollar and its effect of reducing the real oil revenue of the producing States.

Various alternatives have been suggested for pricing oil from the International Monetary Fund's Special Drawing Rights to shifting out of dollars into more attractive currencies.

Israel's rate of inflation is likely to stay at 40%

BY L. DANIEL

TEL AVIV, April 5.

ISRAEL'S RATE of inflation is *likely to continue at 40 per cent.* this year as a result of the wage concessions already made and the wave of strikes facing the Government from various sectors of the civil service.

It seems likely that the Treasury will have to resort to deficit financing at the rate of *1bn. Israeli pounds (£33m.)*, double that of last year.

A 40 per cent. wage increase granted to communications workers, awards of between 12 and 30 per cent. to income tax officials and rises still due to the majority of public sector employees will all cause a large deficit in the 1978-79 budget. An additional strain will be the expenditure of the operations in south Lebanon.

The Finance Ministry has offered the civil service a 6 per cent. wage rise, while the *Histadrut, the trade union* organisation, is holding out for the rise—15 per cent.—already granted to production workers.

Even this increase may not be final, for the Histadrut is already on record that it will ask for quarterly cost-of-living allowances, instead of semi-annual *ones now paid automatically*.

The main strike threats come from those who have been doing best: for example the seamen and marine officers, now out for over ten weeks; and employees of El Al, the national airline.

At the same time, little has been done to avoid the large-scale tax evasion of the large number of self-employed workers whose income cannot be properly checked such as electricians, plumbers, builders, doctors and dentists.

Final round in landing aid tussle

By Robert Gibbens

MONTREAL, April 5.

STRONG RIVALRY BETWEEN the British and the Americans over their respective microwave landing systems (MLS) emerged as the International Civil Aviation Organisation's all-weather operations division meeting began to-day its process of deciding which system is better.

The ICAO meeting runs to April 21. It is not certain whether a *decision will be reached*. The winner of the standard ICAO-designated system stands to win business worth billions of dollars over the next 25 years as airports all over the world begin putting in the new advanced landing equipment.

Both delegations have brought several aircraft to Montreal's Dorval's airport and the old Victoria short take off and landing (Stol) Airport to demonstrate the virtues of each other's systems. The differences are largely technical. Both delegations are offering flight demonstrations of their systems.

The ICAO meeting is "of great importance to aviation," according to Quintin Taylor, Deputy Administrator, U.S. Federal Aviation Authority. Studies of MLS systems have been going on since 1972. "A decision now will ensure *that the much-needed system will* be a reality in time to meet aviation needs of the future."

The microwave systems will enable airports to handle greater traffic loads.

A year ago, the ICAO committee voted for the American sys*tem* but the British complained that testing was inadequate, so a new series of tests was arranged. Those are being made in Montreal and ICAO has ruled that they will be the final tests before its decision on which system to declare as a world standard.

$700m. harbour project in Iran for U.S. company

BY OUR OWN CORRESPONDENT

TEHRAN, April 5

THE TEXAS-BASED contractors Brown and Root have signed a long-negotiated contract worth nearly $700m. to build harbour *works for a new Iranian naval* base at Chah Bahar on the Gulf, industry sources said here.

Under the agreement, discussed for more than three years, Brown and Root is the prime contractor for dredging, harbour and pier work in the first phase of construction on the base. The next phase will be a maintenance yard, but design work on it has yet to begin and construction tenders are at least two years away, sources say.

Britain's Costain has a letter of intent for another aspect of the project, the construction of *housing and garrison facilities*. But the company has not yet concluded a contract with the Iranian Navy because the project has been scaled down from original plans and facilities have had to be redesigned.

The naval base was originally expected to cost more than $2bn. to build. Now the cost is estimated at a bit over $1bn. The reduction entails a significant cut in the manpower needed to run the base, whose scope is now "more realistic," according to Western military sources.

Chah Bahar, located near the Pakistani border in south eastern Iran, is strategically important in the Shah's military planning because it gives his navy an outlet beyond the relatively narrow Strait of Hormuz, allows Iran to guard the mouth of the Gulf and affords direct access to the Indian Ocean. The site will also have base facilities for Iran's army and air force.

Brown and Root earlier started design work on the harbour facilities under a letter of intent and is now beginning civil construction, sources said.

The company expects to complete the port works in three to three and a half years. Some of the work will be subcontracted, notably the dredging, for which tenders have already been issued.

Under its letter of intent, Costain was to build some 20,000 housing units as part of a new township near the base. With the reduction in scope of the entire base, this has now been scaled down to about 7,000 units.

Because of the new design work, Costain is not expected start construction for another months to one year, assum there are no other major hitc in concluding its contract v the navy.

Brown and Root had ear experienced some difficulties obtaining payment from navy for work it was doing un its letter of intent and at point more than a year ago to reduce *its staff* in Tehran

But this problem was resol with the conclusion last yea any oil sale agreement betw the National Iranian Oil Comp and New England Petroleum U.S. independent.

Under the deal, which called an oil "parallel s arrangement, NIOC is sel NEPCO 100,000 barrels a da Iranian heavy-crude over a year period which started summer.

The NIOC then puts revenue from the sale int special account which the Ira navy draws *on to pay Brown* Root. Oil deliveries to NE are timed to coincide with Brown and Root payn schedule.

W. German mechanical engineering orders fall

BY GUY HAWTIN

FRANKFURT, April 5.

WEST GERMANY'S Mechanical engineering industry — the country's largest export earner —saw foreign orders fall by 14 per cent. last year. With some 60 per cent. of output going abroad, an 8 per cent. increase in domestic bookings failed to offset the decline, while a real 8 per cent. increase in imports *can hardly have improved* companies' sense of well-being.

There can be little doubt that the recent increase in parity of the Deutschemark against the U.S. dollar has played an important role in the industry's problems. The inflow of orders in February was 5 per cent. down on the previous month's performance although bookings remained at about the same level as in February, 1977.

There was again a large decline in overseas bookings. In January this year, home and overseas orders both declined by between 4 and 5 per cent., but in February the 12 per cent. rise in domestic bookings was matched by an 11 per cent. drop in orders from abroad. On a price adjusted basis, this means that home orders were up by 9 per cent., while export bookings were down 14 per cent.

Although the industry—sales totalled DM98.02bn. (£26.12bn.) last year—is naturally perturbed by the effects of foreign exchange fluctuations on its exports, there is surprisingly *little talk of doom*. Herr Tyll Necker, Vice-president of the Verein Duetscher Mascinebau-Anstalten (VDMA), the industry's trade association, said that the effects of the dollar crisis on orders was only temporary.

He admitted, however, that the "price bonus" that West German machinery exporters had received from an undervalued deutschemark was past. Despite that and a drop of 7 per cent. in the industry's price competitiveness compared with the U.S., 1977's exports to the U.S. market increased by 20 per cent.

The root of the problem as the VDMA sees it, is the continued weakness of demand for capital goods throughout the industrialised world.

Brazil boosts exports of manufactures

By Diana Smith

RIO DE JANEIRO, April MANUFACTURED AND s manufactured goods accou for over half of Brazil's January-February exports year amounting to $882m. o a total of $1.62bn. This re sents an increase of 36 per c compared with the same pe of 1977.

Transport equipment from seventh to fourth with exports of $99.34m. coffee held first place, albe a lower figure of $177.3m. per cent. of the total comp with 31 per cent. in 1977. iron and steel rose, in ton by 739.4 per cent., mac tools by 81.45 per cent. and tin by 33.48 per cent. Bulk oil rose from 52nd place year to 12th this year, with ports of $29m. in January February.

Meanwhile, Chrysler of B reports that in 1977 it expo $49.5m-worth of vehicles—a record for its overseas s This, Chrysler claims, re sented a positive contributio Brazil's trade balance of $4

● A high-powered trade mis headed by Crown Prince H of *Norway* is to sign an a ment to-day granting Braz conglomerate Petrobras, a credit for purchase of off oil-drilling and production e ment from Norway. Braz now Norway's third larges port market, and the Norw businessmen forming the mission stressed their grea terest in setting up fact here to produce goods for e

USSR aircraft for Turkey in $288m. package

ANKARA, April 5.

TURKEY WILL buy civil aircraft from the Soviet Union for the first time as part of a $US288m. trade package signed here to-day.

The deal provides for an exchange of Soviet industrial goods worth $US138m. for mainly farming products from Turkey worth $US150m. in the current financial year.

Official sources also said Turkey would export wolfram, a metal used mainly for building strategic weapons, worth $US2m. *to the Soviet Union for the first* time this year.

Turkish Trade Minister Teoman Koprululer, who signed the trade protocol for Turkey, said his country would be importing two Yak civil aircraft and five agricultural helicopters.

Reuter.

Japan Soviet stores deal

BY YOKO SHIBATA

TOKYO, April 5.

JAPAN'S LARGEST distribution group, Seibu, has signed an agreement with the Soviet Union to export supermarket facilities and know-how to the Okean distribution system, which handles exclusively fishery products.

Seibu's distribution hardware is to be exported to Okean's Nakhodka shop which is scheduled to open by the end of this year as its first branch in the *far eastern region of the* Soviet Union. The total export value will amount to Yen70m. with payment in dollars. Shipment of equipment and facilities will be completed by the end of September.

Seibu's project is significant in that it gives the company a foothold in the Soviet Union's project for improving the distribution system. Reform of the distribution system is one of the main pillars of the Soviet tenth five-year plan with particular emphasis on distribution of fishery products.

Okean, a modern distribution system established in the European side of the country now has around 100 shops around Moscow.

Furnace order for ASEA

By John Walker

STOCKHOLM, April 5.

ASEA, the Swedish heavy electrical engineering group, has received an order from the French steel company, Sollac, for two 240-tonnes ASEA-SKF ladle furnaces. It says the units will be *half* as big again as any other ladle furnace.

They will come on stream in May next year. The value of the contract is about Kr.20m. *($U.S. 4.3m.)*.

The company's U.S. marketing subsidiary has received two big orders from Kaiser Aluminum and Chemical Corporation for its primary ingot, sheet, and plate complexes at Ravenswood, West irginia, and Trentwood, Washington.

The orders cover induction stirrers for four new 6-metre-diameter re-melt furnaces.

Gas plants order

Contracts worth £6m. have been won by Cryoplants, part of BOC, for the supply and installation of a 150 tons/day natural gas liquefaction plant and the supply only of an associated air separation unit producing 200 tons/day of liquid oxygen, nitrogen and argon for Commonwealth Industrial Gases of Australia.

Trebor in joint venture

BY DOUGLAS RAMSEY

DESPITE THE continued high duty on imported confectionery into Japan, a British confectionery company, Trebor, has begun to sell its products directly *in the Japanese market through* a joint venture in which it holds 70 per cent.

The new company, Trebor Japan, was officially launched yesterday and hopes to boost its sales in the next 18 months to about £1m. a year.

Mr. John Marks, chairman of the Trebor Group, reckons that Trebor can sell profitably in Japan despite a 25 per cent. margin for transportation from the U.K. to Japan and a 35 per cent. customs duty on imported sweets.

Its edge is largely put down to the price of sugar supplies in the U.K. which is roughly one-third cheaper than the price paid for sugar in Japan by local producers.

Until now, Trebor sales in Japan have been channelled through an importing company, Tokyo Menka, and a local distribution company Hirokane *Shoji*.

Each company will hold a 10 per cent. stake in Trebor Japan which will take over as exclusive importer of Trebor products.

Motorcycle curb plan

The Japanese Trade-Industry Ministry plans to hold down exports of Japanese-built motorcycles this year to not more than last year's level of 3.95m. machines, Reuter reports from Tokyo. The industry says the Ministry will soon ask motorcycle manufacturers to report their shipment *schedules* quarterly. Last year about 30 per cent. of motor-cycle exports went to the U.S.

U.K. mission for South America

A *trade mission*, organise the London Chamber of merce and Industry, leave day for Argentina, the first on a two-week South Amer tour which will include Uru and Paraguay. The 20-s group, led by Lord Nelson, c man of GEC, and supporte the British Overseas T Board, includes British builders, Chloride, RTZ, Knox, Kearney and Tre Marwin, Amalgamated Power gineering, Snow and Co., Contractors, Davy Internati George Wimpey, Mott, Hay Anderson, and Humphreys Glasgow. There are also bankers from Barings Schroders and a representa from the British Governm offshore supplies office.

Argentine wine driv

PLANS TO increase wine imp from Argentina substant have been announced by Mat Clark, British agent for the V Argentinos consortium.

Last year the United King took about 8 per cent. of Ar tine wine exports, or just 2m. litres. Yesterday *Mr. D Stevens*, a director of Matt Clark, said that might rise b to 40 per cent. over the nex months.

New contracts bolster Italo-Egyptian link

BY PAUL BETTS

ROME, April

WITH A deal extending Fiat's participation in Egypt, the renewal of a series of important oil exploration and production contracts in the Sinai desert field, and other big long-term ventures including building a 1,250-mile motorway between Alexandria and Khartoum, Italy has significantly enhanced its presence in the Egyptian market.

The deals follow an official visit of the Italian Foreign Trade Minister, Sig. Rinaldo Ossola, who returned from Cairo to-day after reviewing, among other things, a $US40m. Italian credit line granted to Egypt last year.

During Sig. Ossola's visit, Fiat signed an agreement with the *Egyptian car concern*, El Nasr Automotive Manufacturing Corporation (NASCO), for setting up a consortium also including Fiat's Spanish subsidiary, Seat, and the Egyptian-based Misr Iran bank, the Italian company reported here.

The joint venture, in which Fiat will hold a 20 per cent. stake and Seat a 10 per cent. interest, with the Egyptian-based bank and NASCO respectively controlling a 27 per cent. and a 43 per cent. participation, will expand NASCO's car production at its Helwan plant with an annual production target of 35,000 cars by 1983.

It will also see the introduction of new Fiat and Seat models on the Egyptian market, including the Seat 900 and three separate Fiat models. The Fiat side of the deal is valued at some $US5m.

Over the week-end, AGIP, the main oil subsidiary of the Italian state hydrocarbon group, ENI, agreed to set up with the Egyptian National oil company, EGPC, a joint venture to increase collaboration between the two countries in exploration and production activities in the Sinai and the Nile delta.

The venture will group together Egyptian and Italian interests in a single company, Belayim Petroleum Company (Petrobel), on a production-sharing basis, according to AGIP, the Italians will be responsible for the technical and financial aspects of the activities in the *Sinai, recovering their costs from* the oil produced.

AGIP will also be guaranteed a quota of the oil as direct profit, with about a third of overall crude production going to the Italian company and the remaining two-thirds to the Egyptians.

In the past 25 years, AGIP has *maintained a big presence in* Egypt, discovering in the mid-1950s the Abu Rudeis and Belayim oilfields in the Sinai. The two Sinai oilfields were occupied by Israel during the 1967 war and were subsequently handed back to Egypt in 1975. Meanwhile, AGIP discovered Egypt's first natural gas field at Abu Madi in the Nile Delta.

It was with Egypt that the late Sig. Enrico Mattei, chairman of ENI, introduced his then revolutionary concept of offering an oil-producing nation direct participation in oil ventures.

During the past two years, AGIP has been active in repairing and renewing the Sinai fields badly damaged by war.

The immediate drilling programme in the Sinai aims to increase present production of 90,000 barrels a day, or 4.5m. tons a year, to about a fifth of Egypt's current overall annual crude production of 25m. tons.

Indeed, some 35 international oil companies are involved in oil activities in Egypt, which plans to increase its annual production during the next three year 50m. tons and therefore qua for OPEC membership.

The Italian Foreign Tr Minister is also reported to h proposed to the Sadat Admi tration the repair by Ita engineers of Egyptian Air Fo Soviet-built MiG airc grounded through Mosc refusal to supply spare part

Repairing the MiGs *would* by Fiat and Aeritalia (the Ita state-controlled aircraft ma facturing group) engineers.

The Italian Foreign Minis is also understood to have te tively negotiated an Italian pa cipation in a project to bu a motorway from Alexandria Khartoum, including a netw linking the motorway to Egypt ports on the Red Sea. An Ital company, SOMCA, controlled the Rome-based Bastogi financ group, is also studying devel ment of the Port Said free tr ing zone.

Other Italian deals are tractors and other agricultu machinery for $US7m. and agro-industrial project in Nile delta, also valued at abo $US7m.

Call for electric transport system

CHANGING TO an electric transport system could cut Britain's energy needs sharply, says a report by the Department of Energy.

The Government should encourage the change which the report says is inevitable.

Battery powered vehicles using off-peak electricity together with a move to coal-based fuels for domestic heating, could cut Britain's annual primary energy demand by about 40m. tons of coal equivalent and require 40,000 megawatts less electric generating capacity.

Even at present, battery power could be usbstituted for 70 per cent. of the fuel used in cars and light vans.

Market share

Sainsbury last month retained the larger share of the packaged grocery market it gained after launching its discount programme in January. AGB market research company says Sainsbury's share slipped back only fractionally to 10.4 per cent. Tesco's also showed a fractional fall to 12.2 per cent. while the Co-op increased its share to 18.5 per cent.

Shipbuilding job

Mr. Richard Whalley has been named as industrial relations director for British Shipbuilders. His appointment was confirmed by Mr. Eric Varley, Secretary of State for Industry yesterday.

Redundancy move

Sunderland Shipbuilders is to make 125 workers redundant at one of its Wearside yards. Mr. James Gilfillan, the chairman, said the cuts were necessary because of a change to building smaller ships at the North Sands yard.

Haulage rules

Individuals or companies seeking to enter the road haulage business should be required to prove that they have equity worth at least 25 per cent. of total financial capital commitment involved in their business, says the *National Freight Corporation*, in evidence to the Foster Committee on operators' licensing.

Falling trend

Work on a £5m. test track for British Leyland's car division has begun at the former RAF station at Gaydon in Warwickshire. This is scheduled to be completed by autumn 1979.

TUC urges £3.5bn. boost for economy

BY MICHAEL CASSELL

THE TUC yesterday called on the Government to implement a five-point package to cut unemployment.

The call was made at a meeting of the National Economic Development Council, in London, and underlines the unions' belief that the high level of unemployment will not be reduced without changes in Government policy.

The plan, which largely reflects the TUC's earlier pre-Budget representations to the Chancellor, calls for a boost of at least £3.5bn. for the economy in *next week's Budget*.

Reflation should come in the for mof direct tax cuts and extra public spending. While the Budget may go some way towards meeting the TUC's call for lower taxes, it seems likely *to remain largely unsatisfied on* the public spending.

The unions want more spending on job support and creation schemes, higher benefits for the long-term unemployed, improved child benefits and retirement pnsions, and a strong balance of payments to expand more rapidly. They also want cuts in working hours and earlier retirement.

After the council meeting, Mr. Len Murray, TUC general secretary, said the package had been put forward as part of a European TUC campaign to focus the attention of governments on the dangers of unemployment.

Although industrial action in support of the campaign had been planned in other countries, the TUC had not considered it appropriate to follow suit.

Mr. Denis Healey, the Chancellor, was present at the meeting and his response was predictable. He re-emphasised the Government's view that it was anxious not to reflate too fast or too far so as to avoid sucking in imports.

The meeting was primarily concerned with the recent White Paper on North Sea oil and on promoting a wider understanding of the industrial strategy.

Mr. Healey reinforced the official view that the U.K.'s oil revenues would be of assistance to the economy but that the benefits would not be of "transforming significance."

On the industrial strategy, the TUC and the CBI both put forward papers with recommendations for ensuring widespread *understanding of the issues.*

In response to the CBI's expressed disappointment at the absence of any joint approach to the communications strategy, the two sides are to hold talks in the next month on ways of establishing an itegrated campaign and the possibility exists of a joint paper on the subject.

Beaubush deal agent expelled

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

ONE OF the estate agents involved in the £7m. Beaubush Land affair, which involved Lord Ryder, former Reed International and National Enterprise Board chairman, has been expelled by the Royal Institution of Chartered Surveyors for "conduct unbecoming a chartered surveyor."

The 52,000 strong institution has employed its ultimate sanction in expelling Mr. Christopher Smith and suspending for three years Mr. Derek Ritchie of Horsham agents Weller Eggar.

The institution has reprimanded seven other members of the Sussex firm; Mr. P. N. Fuller, Col. W. A. Knowles, Mr. C. W. Bardwell, Mr. D. S. E. Morley, Mr. J. P. Sudlow, Mr. H. C. P. Nicholas, and Mr. A. W. Fuller. The last four of that list are still practising with Weller Eggar.

The institution stated yesterday that the two agents, who have since left Weller Edgar, "were found guilty of conduct unbecoming a chartered surveyor and which prejudiced their professional status and the reputation of the Institution."

The agents failed to make sufficient disclosure to Mr. Lionel Brooks, a client, about their interests in the purchasing company of the land they acquired from him. In November 1972 Mr. Brooks sold a 617-acre estate in Sussex for £3.25m. to a company set up by Reed International and Broadland Properties.

Part of this land was sold five months later to Crawley Borough Council for £7m. Mr. Ritchie and Mr. Smith negotiated a personal share in the profit on the sale in addition to their firm's normal commission.

The Institution found that the agents failed to make sure that the vendor of the land had given his "informed consent" to the taking by the agents "of a financial interest" in the scheme.

It also found that the two partners had failed "to make full disclosure of their proposed financial interest in the transaction to their partners."

New pensions move by 21,000

BY ERIC SHORT

THE OCCUPATIONAL Pensions Board has received about 21,000 applications from employers to contract-out of the earnings-related part of the new State pension scheme which starts to-day. This was disclosed yesterday by Lord Allen of Abbeydale, chairman of the Board.

The Board has already issued about 8,000 certificates, but Lord Allen said that it had been evident for several months that a last-minute rush for applications would make it impossible to issue all certificates by April 6.

Special arrangements have been made to enable employers to pay the lower National Insurance contribution rates provided applications were received by March 23.

Lord Allen was hopeful that all outstanding applications would be cleared by the end of May. But he pointed out that it would ease the task of the Board's staff if employers did not make inquiries about the progress of their applications, at least until the beginning of June.

To-day the child benefit payments are also increased, accompanied by the next stage in the phasing out of child tax allowances. The child benefit payment combines under one heading the old family allowances, paid to the mother, with child tax allowances, claimed by the father.

The child benefits are paid to the mother.

Output of coal falls for 4th year

BY JOHN LLOYD

COAL OUTPUT in Britain is down this year for the fourth year in succession. Deep-mined coal for the year ending March 25 stands at 104.4m. tons, compared with 106.7m. tons for 1976-77.

Provisional figures for opencast mines show a rise to 13.3m. tons, compared with 11.2m. tons in 1976-77.

However, the combined output will be slightly down — by 200,000 tons — on last year.

The deep-mined coal output includes an extra 1.5m. tons as a result of the miners' incentive scheme.

Sir Derek Ezra, the chairman of the National Coal Board, said this year would be profitable once again, though no figure has yet been given. Last year, there was a net profit of £27.2m.

Bonus

Output per manshift—the Coal Board's standard measurement of productivity — was also down for last year, at 43.1 cwt. compared with 43.6 cwt in 1976-77.

However, productivity is now showing a marked increase as a result of the bonus scheme. Latest figures, for the week ending March 25, stood at 46.4 cwts.

Speaking during a visit to Herrington Colliery in the north-east area, Sir Derek said that in the past eight weeks the amount of coal produced by *faceworkers had beaten all* records.

The figure stood at 174.6 cwt. per man-shift, compared with the previous coalface productivity record of 165.6 cwt. in May, 1975.

Improved

Three areas—North Nottinghamshire, North Derbyshire and Barnsley—have each succeeded in mining more coal *than last year. Jointly, they* have improved output by about 700,000 tons.

In the first three months this year, the 35,000 miners in the north-east area produced 3.3m. tons—up 3½ per cent. on *last year.*

Sir Derek said that vigorous action was being taken to win new business.

State oil row breaks out with North Sea partner

BY RAY DAFTER, ENERGY CORRESPONDENT

A ROW has erupted between Standard Oil of California (SOCAL), one of the world's biggest oil groups, and its North Sea partner, the British National Oil Corporation.

The public argument, over a claim that the corporation is an "albatross" around the neck of offshore oil companies, could damage SOCAL's chances of obtaining attractive concessions in the next round of North Sea licences.

It could also influence the way that the corporation and private oil companies respond to each other in public in future.

In an extraordinarily frank statement made *during an ITV* programme on Tuesday, Mr. George Keller, vice-chairman of SOCAL, claimed that the corporation was an "albatross that was making no contribution to the British economy but was responsible *for a slow-down in* North Sea development."

SOCAL's U.K. subsidiary, Chevron, is the operator of the £1.6bn. development project on the Ninian Field, due to come on stream later this year. The corporation also has an equity stake in Ninian as well as a participation deal with Chevron and other partners.

"I can think of nothing that has been accomplished on Ninian which could not have been accomplished faster and at a lower cost without BNOC," Mr. Keller said.

Emphasis

Lord Kearton, chairman and chief executive of the corporation, said that since it had become involved in Ninian—it acquired Burmah Oil's interest *for £90m. two years ago*—the development programme was "now being done properly and a large part of that is due to BNOC."

Both Lord Kearton and Mr. Anthony Wedgwood Benn, *Energy Secretary*, were *angered* by Mr. Keller's remarks. As both are associated with the award of discretionary drilling licences, the attack on the corporation may weigh against any future licence application submitted by Chevron.

It has been emphasised in the past that company attitudes towards Government regulations and corporation participation are taken into account when applications are considered.

Amoco, for instance, was excluded from the fifth round of licences because of its opposition *at the time to voluntary State* participation.

Energy Department officials were playing down the rift, pointing out that it had good relations with Chevron in the U.K. Lord Kearton himself praised *Chevron's local staff for their* degree of co-operation with the State oil corporation.

Chevron executives in London said they were "assessing the situation. We have nothing more to say on Mr. Keller's comments."

Within the oil industry, it is felt that the row might initiate more open criticism of the corporation by other oil companies.

Tighter safety limits for radiation urged

BY DAVID FISHLOCK, SCIENCE EDITOR

TIGHTER RESTRICTIONS on the amount of radiation to which the public may be exposed from nuclear industry activities are recommended by the National Radiological Protection Board, the Government's "watchdog" for radiation exposure.

It has advised the Government that the whole-body dose of radiation from all sources other than natural "background" radiation and from medical prac*tices (such as X-rays) should* not exceed 7 rem over a person's lifetime.

This corresponds to an annual radiation dose of 100 millirem for a nominal lifespan of 70 years. Previously the limit was set at a maximum of 500 millirem a year.

The agency's advice is founded on the latest recommendations of the International Committee on Radiological Protection, published last July.

The U.K. population most highly exposed to radiation today is the one which eats fish landed at Whitehaven, close to the Windscale reprocessing factory of British Nuclear Fuels. The latest Government estimates, for 1976, indicate that the average dose among this population was 85 millirem, and the highest exposure 238 millirem.

Door to ship service

BY PAUL TAYLOR

THE Mersey Docks and Harbour Company is moving into the *road haulage business providing* a door to ship service

The company has spent an undisclosed amount buying themselves into an existing road haulage business run by Liverpool based commodity brokers *Norco.*

The surprise announcement comes in the wake of the company's 1977 results which showed pre-tax profits declining from £4.38m. to £4.1m. last year *against* a turnover of £62.66m. and a drop in general cargo handled from 1,584,537 tons to 1,161,329 tons.

The new transport consortium formed with Norco is called Norco Transport and will begin *operations* "within a few weeks" from Norco's existing depot at Morpeth Dock in Birkenhead.

Charles and the best of British . . .

Prince Charles yesterday expressed concern over the harm done to the nation's morale by what the British Press chose to emphasise.

Presenting the British Press awards for 1977 in London, he said: "Isn't it time we really began to concentrate on the things we do well, on the people who contribute most, on the fact that other people like us for what we are and also recognise the enormous potential we have as a nation—even if we don't because we are too preoccupied with all the gloomy things.

"The British are past-masters at the art of self-denigration which, practised reasonably, is an attractive trait. But sometimes we go too far and are only reminded of the things we don't do well, of the strikes that occur in a very small proportion of our industries, or of the unpleasant things foreigners say about us, rather than the infinitely more frequent complimentary remarks which they make."

When he was abroad he felt "*proud to be British*," even though we were sometimes not aggressive enough in international competition.

Thistle Field oil flow starts

By Ray Dafter, Energy Correspondent

COMMERCIAL production has started on the Thistle oil field in the North Sea after several months of delays caused by severe weather.

British National Oil Corporation, the operator, said yesterday that the first tanker, Thistle Venture, was moored at the loading buoy and already contained more than 125,000 barrels of crude oil worth almost £1m.

The first four development wells had been completed and a fifth well would be ready for production soon, giving a producing capability of about 100,000 barrels a day. This was a higher flow than many in the industry had estimated for the initial production period.

The oil is being loaded into tankers through an offshore loading system. This single-anchor leg mooring buoy is expected to be in use for at least the first 12 months of the field's life.

This is because the Brent system pipeline and Sullom Voe oil terminal in the Shetland Islands are not ready to receive crude from Thistle and other neighbouring fields.

The corporation said that because of the bad weather over the last three months it had been unable to complete the testing of the offshore loading system. The testing, together with the resolution of some unspecified problems, was expected to be substantially completed in the near future.

"Commissioning problems were expected, since several components of the system are unique in terms of size or service at such an exposed location."

Partners in the venture are: British National Oil Corporation—undertaking its first field development operatorship—with 16.22 per cent.; Deminex, 41.03; Santa Fe International, 16.29; Tricentrol, 9.65; Burmah, 8.1; Ashland, 5.43; Gulf, 1.16; Conoco, 1.16; and Charterhouse Group, 0.96.

The first tanker-load of Thistle crude will be shipped by the corporation jointly with Charterhouse to the Humber refinery of Continental Oil. The second cargo is expected to be lifted by Deminex, but it is not clear whether it will be landed in the U.K. or in Germany.

Government 'failing to aid Merseyside'

FINANCIAL TIMES REPORTER

THE GOVERNMENT is operating the wrong industrial strategy for the needs of Merseyside, a Parliamentary sub-committee was told in Liverpool yesterday by Mr. Peter Wood, the deputy county planning officer.

Mr. Wood said that the region tended to lack manufacturing industry. Government strategy was to "back winners' 'and this was not helping Merseyside as much a sthe more prosperous areas.

Four MPs, sitting as members of the Commons social services and employment sub-committee, heard evidence of Merseyside's problems at the start of a two-day visit.

In the past 10 years 100,000 jobsc have been lost from the region, and the first three months of this year had seen the announcement of 7,000 redundancies.

The number of young people unemployed was increasing. Half of those without work on Merseyside were aged 19 to 24. Unemployment had reached almost 30 per cent. in some areas.

Population loss had been 2,000 a year, since 1966. The losses have affected every area of Merseyside, and been "massive" in Liverpool. "Merseyside County now has less population than in 1931," said Mr. Wood.

The population loss had been particularly acute among managerial and professional people, and "Merseyside is tending to be left with an elderly, unskilled and, unfortunately, an unemployed population."

A three-pronged policy — to improve housing, the environment, and the economy — had started to revitalise the region.

Mr. Colin Barnett, secretary of the North West Regional Council of the TUC, said that poor productivity and absenteeism were major problems in certain industries, and a regional conference would debate these in July.

Mrs. Rene Short, the sub-committee chairman, later praised the job creation scheme, which had led to many young people finding permanent work.

Evidence heard so far in many parts of the country pointed to the "most acute problem" being those school-leavers who had no academic qualifications.

The nine-member sub-committee is now nearing the end of its inquiries and its recommendations are expected to be submitted to Mr. Albert Booth, Employment Secretary, in July.

PanAm deal brings flow of orders and more jobs

FINANCIAL TIMES REPORTER

MANY companies in U.K. industry will benefit from the Pan American decision to buy 12 Lockheed TriStar airliners with Rolls-Royce RB-211 engines, with an option on 14 more aircraft.

The total value of the deal, announced late on Tuesday, is expected to be £540m. if the options are turned into firm orders, of which the total Rolls-Royce share will be £260m.

Several major companies in this country already participate in the TriStar production programme under sub-contracts from Lockheed. They include Lucas Aerospace on electrical systems, Smiths Industries on instruments, Dowty Group for electrical and other equipment, Short Brothers for parts of the airframe, wings and doors, as well as RB-211 engine pods, and Scottish Aviation (part of British Aerospace) for more doors.

"Put it all together, and it means work worth many millions of pounds for Britain, in addition to the work on the engines," said a Lockheed spokesman yesterday.

Rolls-Royce itself said yesterday that the deal is likely to mean an additional 400 jobs at the company's factory at Hillington, Glasgow. The plant already employs more than 6,000 and makes 37 per cent. of all the RB-211's components, including turbine blades. There has been a rundown at the plant because of general uncertainty over future aviation business.

Mr. Don McLean, director and general manager of Rolls-Royce's Scottish operations, said that the Pan Am deal would have a big stabilising effect and would make the workload increasingly healthy.

Rolls-Royce is launching a campaign in Scotland this weekend to recruit more skilled workers at Hillington.

'Tough' fight

The effects of the deal could be even more far-reaching. It is likely to strengthen the RB-211 engine's position in the North American market and stimulate interest in other versions of this engine for other aircraft programmes.

One of these is the proposed new Boeing 757 short-range jet airliner, which is expected to be offered to the world's airlines with the Dash 535 version of the RB-211 engine, while the Dash 524B itself (the version involved in the Pan Am order) is likely to be offered in the bigger Boeing 767 200-seater twin-engined jet, also now on offer to the airlines.

Sir Kenneth Keith, chairman of Rolls-Royce, said yesterday that the company had to overcome "very tough competition" to win the order. "In doing so, we have had to give exacting commitments on our future performance as a company as well as on the future performance we have guaranteed for the RB-211.

"We shall only exploit this opportunity to the fullest if we increase our efficiency in meeting programmes and in reducing our costs. Equally, a failure to meet our promises and achieve delivery dates will have an adverse effect on our future employment."

● Short Brothers, the State-owned aerospace company in Belfast, expects orders for the podding of Rolls-Royce RB-211 engines for Pan Am to total several million pounds (writes our Belfast correspondent).

Shorts has been the sole sub-contractor for the engine pods since 1968. Lockheed yesterday confirmed that Shorts would be making parts of the airframe, wings and landing gear doors for the TriStars.

Labour may delay regional schemes

By David Churchill

LABOUR PARTY plans for a re-organisation of local government are likely to be postponed because of a lukewarm response to the proposed new structure among the regions.

The plans were for 12 elected regional authorities with new district councils, each with an average population of 200,000.

An internal Labour Party report concludes that "there does not seem to be enough unqualified support for elected regional authorities" along the lines proposed.

The report, prepared by Mr. Ed Miller, the party's local government officer, shows "an almost universal hatred of the two-tier system ouside the metropolitan areas and a strong desire for the shire counties to be gradually phased out."

It suggests that "the most appropriate place to begin change was seen to be the transfer of education and social services to the large districts which wanted to resume or assume responsibility for these services."

Restoring such powers to the "big nine" former county boroughs who lost them under the 1974 Tory local government re-organisation is being considered by a committee of Cabinet Ministers.

The Labour Party report was based on comments from the regions and from some trade unions to a consultation document published last August.

The response showed broad support for the proposals in the Northern, North-West, West Midlands, and Southern regions. The North East and East Midlands were against the plans, with London, Eastern and South-West regions having no fixed view.

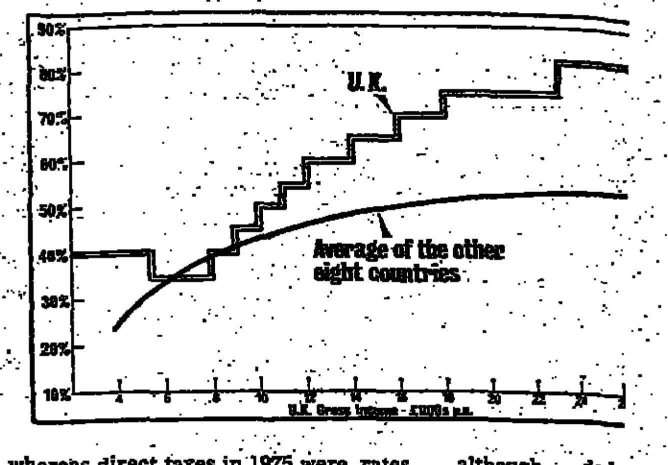
The plans were opposed because they would disrupt health, education, and social services so soon after the last re-organisation. There was also criticism of the new structure being too remote.

The report says that the response was inconsistent with attitudes based on local political grounds. And there was little agreement on what powers the regional authorities should have.

But there was a consensus that the water, health and economic planning councils should be brought back under local democratic control.

Tax burden hits Britain hardest, survey shows

BY DAVID FREUD



THE BURDEN of direct taxation is considerably greater in the U.K. than in other Western economies, according to a submission to the Royal Commission on the Distribution of Income and Wealth.

Employment Conditions Abroad, an organisation set up by a number of international companies to collect information on employment conditions, makes a series of tax comparisons between the U.K. and eight other countries — Australia, Canada, France, West Germany, Ireland, Japan, Sweden and the U.S.

The organisation concludes that direct taxes in the U.K. are more burdensome than the average of the eight countries on a whole series of definitions.

Only in Sweden is the tax burden consistently heavier, and even in this case, when like is compared with like, the difference between the incidence of total deductions is marginal.

This means, says the organisation, that the disincentive effect of taxation is greater in the U.K. than it is elsewhere.

The report says that the disincentive effect of taxation lies more in marginal rates than the actual amounts deducted.

Marginal rates, including employees' social security contributions and adjusted for cost-of-living differentials, are higher in the U.K. than the eight-country average for all except those earning about £6,000-£9,000 a year last autumn.

The specific figures show that whereas direct taxes in 1975 were 21.1 per cent. of personal income in the U.K., excluding employers' contributions, the equivalent eight-country average was 15.6 per cent. Only Sweden was higher with 27.2 per cent.

The U.K. came third in the league for direct taxes as a percentage of total taxation, including employers' contributions, with 23.8 per cent., higher than the 19.6 per cent. average but below both Sweden and West Germany.

Outlaw

Tables comparing total deductions on salaries in the different countries at different management grades show that the U.K. position is improved when purchasing parities are considered rather than exchange rates, although dedu[…] remain higher in the U.K.

A manager earning £8,500 in the U.K. paid […] cent. of this in taxation autumn, while the eight-c[…] average, based on exc[…] rates, came to 22 per cent. adjusted for purchasing […] the average moved up to […] cent., only four points sh[…] the U.K. percentage.

The report says that th[…] clusion of the Commission in 1975 that the U.K. was […] to the average for the […] countries was wrong […] number of reasons.

The base year of 1974 s[…] the U.K. in a relatively f[…] able light, since which pe[…] taxation has increased i[…] U.K. without showing a […] ponding rise in other cou[…]

'Needless cover-up' over $ fraud plot, court told

FINANCIAL TIMES REPORTER

ALLEGED efforts to raise several million pounds to cover the sale of foreign securities so that they would qualify for dollar premium rebates were described by prosecuting counsel at the Old Bailey yesterday as being totally unnecessary.

John Martin Wales, aged 42, of Chislehurst, a suspended Bank of England official, and five other men deny conspiring to obtain money dishonestly from banks dealing in investment currency between 1975 and 1976.

They are alleged to have been involved in a plot to create two fictitious lists of shares worth at least £2½m. which would qualify for the dollar premium entitlement. But they failed to get the necessary funds to back up their proposed schemes, and the plans fell through, it was said.

Mr. D. Tudor Price, for the Crown, claimed that if the shares had been held genuinely, there was no difficulty in marketing them through normal channels. But if they never existed, then some device would have to be used to provide the funds which would normally come from their sale so that the dollar premium entitlement could be obtained.

Evidence for the prosecution was opened by Mr. Brian Wooding, a solicitor, of Milford, Surrey, who said that he had heard two of the alleged conspirators speak of having "a man in the Bank of England" who would help them.

The trial, which was adjourned until to-day, is expected to last two months.

Budgens t[…] drop stam[…] in 60 sho[…]

By Elinor Goodman, Consumer Affairs Corre[…]

BUDGENS, the McConnell supermarket which since Tesco dropped ing stamps last summer of Green Shield's three customers, is to give up in 60 of its 203 shops.

The money saved is used to cut prices on a range of basic products.

The switch, which wi[…] place on April 17, come[…] time when Green Shield is business from another main customers, Inter[…] Stores, as a result of the converting some of its sto[…] cut-price Pricerite shops do not give trading stamps.

"Until last summer, T[…] was giving stamps in half its stores because unable to get the Green franchise in areas when was trading.

When Tesco dropped Budgens, with Inter[…] Stores and Gateways, pi[…] the franchises given Tesco and introduced st[…] all its stores.

Since then, it has carr[…] a survey of all its stores what appeals to customers has found that consum[…] ference varies between d[…] shops.

In 60, it was decide[…] there were better ways o[…] ing sales than giving sta[…] Budgens runs two ki[…] food shops. The large[…] sell an unusually wide r[…] grocery products while th[…] ler ones—called "Foo[…] cials"—sell a smaller ra[…] trade as convenience stor[…]

Both types of outle[…] effected by the decision[…] stamps.

Princess drive shafts to be replaced free

BY STUART ALEXANDER

BRITISH LEYLAND could face a repair bill over £200,000 on manual gear versions of its Princess 2200. Up to 10,000 may eventually need new drive shafts to overcome excessive wear in the constant velocity joints fitted to the manual 2200s.

None has been made since the Lucas strike which stopped the production line late last summer, although automatics and 1800 manuals, which are not affected, are still available.

Leyland says that the 2200 manual will go back into production when a newly designed replacement part has completed extensive mileage trials, but it is thought that this may be timed to co-incide with an updated Princess later this year.

The new part has been stocked up recent with supplies from GKN, and Leyland is expected to announce within two or three weeks that all owners having difficulty with the faulty drive shafts can have the new version fitted free of charge.

The offer will apply to all cars, whether under warranty or not. Cost of the parts to Leyland is expected to be at least £10 and the fitting charge could be a further £10-£15.

Test circuit for Leyland

WORK STARTED yesterday on building a £5m. proving ground for Leyland cars on a former V-bomber RAF station at Gaydon, Warwickshire.

The scheme will give Leyland—at present the only major car manufacturer in the world without its own proving ground—improved security for testing.

February starts on homes lowest for year

By Michael Cassell, Building Correspondent

BUILDERS BEGAN work on fewer new homes during February than in any month for a year, according to provisional figures issued by the Department of the Environment.

The figures come as a disappointment after signs that housing output was beginning to improve as builders began to respond to improved margins, availability of mortgage funds and strong demand for owner occupation.

Work began on nearly 15,400 homes during February compared to 17,500 in the previous month and 14,700 in the same month last year. Starts in the private sector reached 9,200 while public sector starts were 6,200.

Total starts in the December-February period were down 12 per cent. on the previous three months, but 7 per cent. higher than a year earlier.

Total completions in February reached 20,500 against 22,000 in the previous month and 22,100 a year before.

Helicopter airport link is planned

By Michael Donne, Aerospace Correspondent

THE introduction of a helicopter link between Heathrow and Gatwick airports is an "essential ingredient" in the Government's policy to transfer some air services from the increasingly congested Heathrow to the less crowded Gatwick.

This was stated by the British Airports Authority yesterday, in support of its plan to run such services, in conjunction with British Airways Helicopters and British Caledonian Airways, from June 9.

When the public hearing into the plan began in London yesterday the BAA told the Civil Aviation Authority that there would be no flights between 21.15 and 06.30, the service would be on a year's trial basis only, and if continued, would cease once the M25 motorway link between the two airports became operational in 1982.

The fare for the single journey will be £12, and in the first year it is expected that the service, using an S-61N helicopter, will carry 64,000 passengers.

Britain joins campaign for European airliner

A JOINT team from the four big aerospace manufacturing companies, including British Aerospace, is visiting more than 30 of the biggest airlines in the world to discover whether a market exists for a new European-built short-range jet airliner, writes Michael Donne.

With British Aerospace are Aérospatiale of France, Messerschmitt-Bolkow-Blohm and VFW-Fokker of West Germany.

They are discussing their joint plans to develop an "advanced technology" twin-engined airliner, called the Joint European Transport of JET. This would be offered in two versions: JET-1, with 130 seats, and JET-2, seating about 163.

In addition, the marketing team is discussing possible interest in a new version of the increasingly successful A-300 European Airbus, the B-10, seating about 200.

The aim of the world-wide marketing survey is to discover just how much interest the biggest airlines would have in either or both of these projects—whether they would be prepared to buy them, and if so, what changes in their designs would they like to see.

On the basis of this information the four manufacturers will be able to draw up a long-term plan to develop and build the aircraft.

The four manufacturers believe that there is a market for more than 1,000 short-range jet airliners of this type throughout the world up to about 1990, of which they would expect to win about a one-third to one-half share.

The competition is formidable, however, with Boeing, the world's biggest jet manufacturer, already offering the airlines a new family of jets that include types directly comparable with the European aircraft.

The twin-engined short-range Boeing 757, for example, is broadly competitive with the European JET-2 transport, while the larger Boeing 767-777 family is competitive with the proposed B-10 version of the European Airbus.

Hithero, big airlines have shown a marked reluctance to decide which new aircraft they want for the future, and the manufacturers are being made to work hard to win sufficient orders to justify embarking upon these new multi-million pound ventures.

Welsh CBI to discuss jobless rise

By Robin Reeves, Welsh Correspondent

THE CONFEDERATION of British Industry's first regional conference begins in Cardiff to-day against the background of rising Welsh unemployment, particularly because of the programme of steel plant closures.

Speakers at the conference, called Wales into the Eighties, include Mr. Terry Becket, chairman and managing director of Ford U.K., whose decision last year to site a new European engine plant at Bridgend, mid-Glamorgan, provided a much needed boost to Welsh job prospects.

But unemployment is still expected to rise sharply from the present 90,000 level. An important part of the conference will be discussion groups on unemployment and other economic and industrial problems.

Mr. Harold Williams, chairman of the Welsh CBI, said he would be disappointed if the conference did not produce a positive contribution towards solving the economic problems.

APPOINTMENTS

C. English joins Nationwide Board

Mr. Cyril English has been appointed a director of the NATIONWIDE BUILDING SOCIETY and continues as deputy chief general manager.

*

Mr. E. S. Thomas has been appointed a director of BRITISH ROLLING MILLS and continues as company secretary. Mr. I. T. Dalloway, works manager, joins the Board as works director. Mr. F. T. Wooldridge, who was works director, will remain on the Board until his retirement in September.

*

Mr. R. Atkinson has relinquished the position of managing director of AURORA HOLDINGS but remains full-time executive chairman. Mr. A. A. Watt is now group managing director and Mr. A. Laughland has been appointed director of business development. Mr. Laughland was previously with Johnson and Firth Brown.

*

Mr. I. S. McEwen and Mr. J. G. Young have retired as directors of ANDREW WEIR AND CO. and subsidiaries. Mr. H. G. P. Koch and Mr. R. J. Stevens have retired as directors of Andrew Weir Insurance.

*

Mr. Martin Hudson resigns from the main Board of MORGAN-GRAMPIAN from April 30. Mr. Alec Bromley has been appointed a director and remains secretary and financial controller.

*

Mr. Philip W. Kemp and Mr. Terence Bevan have been appointed to the Board of JACKEL INTERNATIONAL, a subsidiary of Guinness Morison International.

*

Mr. John Profumo has been appointed deputy chairman of the PROVIDENT LIFE ASSOCIATION OF LONDON.

*

FARNELL ELECTRONICS has appointed the following executives to the main Board: Mr. Henry C. Elstone, finance director, Farnell Electronics; Mr. Ken Gledhill, deputy managing director, Farnell Electronic Components; Mr. Eric Hall, managing director, Coil and Transformer Ma[…]ing; and Mr. Adrian S[…] managing director, A. C. F[…]

*

Mr. Martin C. Bailey is […] ing his partnership with J[…] COTE AND CO. […] from April 28. He joins VERIEN AND CO. stock[…] as a partner on May 1.

*

Mr. David Cunliffe has […] appointed to the Bo[…] CARRINGTON VIYELLA.

*

Mr. M. F. Payne has be[…] pointed field sales dire[…] VISIONHIRE. Mr. […] Drury has become ass[…] sales director of RELAY […] The companies are mem[…] the Electronic Rentals Gr[…]

*

CARPETS INTERNA[…] states that Mr. G. S. Ozi[…] nical director of B. Illi[…] and Co. (Bradford), a s[…] has been seconded to […] International Malaysia S[…] as executive director f[…] years from the end of this[…]

*

Mr. David F. Penny […] appointed managing […] BRITLEY ENGINEERING, […] is owned jointly by She[…] International and Great W[…] Industries of Vancouver.

*

Mr. William A. Chapman, […] tive vice-president (Corp[…] been appointed vice-chair[…] the Board of RANCO INC[…] ATED.

*

Mr. N. G. U. Morris […] appointed secretary of […] SHIPBUILDERS and Mr. […] Hares has become managi[…] tor of finance. Mr. Johns […] is to be managing direct[…] keting and product develo[…] from the end of this mon[…]

*

Mr. F. K. Thomas has […] appointed financial control[…] secretary of HOPKI[…] HOLDINGS.

Monte Carlo view makes £120,000

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY'S was quite pleased with its sale of Impressionist and modern pictures which brought in £1,369,000 in yesterday's morning session. This is notoriously an unpredictable market, but some high prices were paid and the bought in percentage of 24 was quite good for a sale of this importance.

Most of the percentage bought in came from a Picasso, Les Anguilles de Mer and a Chagall Au village rouge, which failed to find buyers.

The work of these two artists is at present most difficult to dispose of, although another Chagall, Bouqueta l'Ane jaune, just about made its estimate when selling for £55,000.

Highest price of the day, and well above forecast, was the £120,000 (plus the 10 per cent. buyer's premium) paid for Claude Monet's Monte Carlo, vue du Cap Martin.

Other good prices were the £44,000 for Signac's Le Pont de Lezardrieux; £40,000 for Noyers aux Sabions by Sisley; £38,000 for Portrait de Maud Loti by Kees van Dongen; and £23,500, double the forecast, for a Vlaminck Vase de Fleurs.

A Renoir still-life of three lemons and a cup which had sold for £9,975 three years ago, went for £19,000 yesterday.

In the afternoon session, drawings and watercolours totalled £279,200. A pencil drawing by Van Gogh, Les Becheurs, after Millet, failed to find a buyer, but Femme se peignant by Degas far exceeded its forecast at £31,000.

A Kandinsky gouache went for £13,000, and Les Femmes à la Balançoire by Foujita made £12,000.

Phillip's sold the contents of Park Hall, Hayfield, Derbyshire, for £154,796. The works of art had been collected by the late Harold Hobson, a quantity surveyor, mainly at house sales before the 1939-45 war.

Middleton paid the highest price of £8,200 for Posilipo (Naples) by Unterberger (bought by Mr. Hobson in 1939 for £14), and a Dutch buyer, Derink, gave £6,200 for a pair of Louis Philippe vitrines.

Another painting by Unterberger, Isola Capri, acquired in 1937 for £73 10s, sold for £5,800 to Weston Gallery. The Victoria and Albert gave £1,700 for a Charles X circular centre table.

Christie's sale of Islamic works of art totalled £37,500.

Khalili paid £6,000 for a Jambiya, a large dagger of the mid-19th century, while Hadpi Baba acquired an early 13th century baluster jug for £1,600.

Some minor lots fetched high prices—seals estimated at £50 realised £500 and a 17th century dish beat its £50-£80 estimate comfortably at £600.

● NEWS ANALYSIS—TELEVISION MANUFACTURING

Why the Thorn plant had to close

BY MAX WILKINSON

THE CLOSURE of one of Thorn's television manufacturing plants, announced yesterday, was foreshadowed last year during the fierce argument about whether Hitachi should be allowed to establish a rival factory in the U.K.

Thorn, the leading apponent of Hitachi's plan, said at the time that it would probably have to close a factory if Hitachi were allowed into the U.K.

Now, in spite of Hitachi's strategic withdrawal, Thorn has been forced to go ahead with the closure which will mean the loss of 2,200 jobs.

Thorn's announcement follows closely on a similar move by Decca, to close a colour television plant at Willenhall in the West Midlands, with the loss of 350 jobs.

Neither of these closures can be blamed directly on Japanese competition, although Japan's present 12 per cent. share of the U.K. market may have contributed to the U.K. manufacturers' difficulties.

Overcapacity

The basic problem is that the industry as a whole is selling only a little over half of the number of sets it has the capacity to produce.

This overcapacity has been a feature of the industry since the home market for colour sets declined from a peak of about 2.4m. in 1974 to a level of 1.5m.-1.6m. sets a year.

The rapid increase in demand in the boom period before the oil crisis led to unrealistic expectations by some manufacturers and sucked in Japanese imports. Once established, the Japanese continued to maintain their presence in the market.

This historic overcapacity has made worse two separate trends which have been reducing labour requirements and increasing productivity throughout the electronics industry.

The first is the change-over to automatic assembly and testing from predonimantly manual methods. Only a few years ago long production lines of girls were required to fit the thousands of individual components into their correct positions in circuit boards.

Reliable

Many other workers were needed to check that the components were correctly positioned and to test that the boards functioned properly, before final assembly into sets.

Now, many of the components can be inserted into their boards by computer-controlled robots which are faster and more reliable than people.

The greater reliability reduces the need for testing and inspection, while the necessary testing procedures can be carried out by computers.

The second major trend to affect television production is the use of increasingly sophisticated integrated circuits, which can combine the function of hundreds or even thousands of separate components into a single one the size of a domino.

U.K. colour television manufacturers and estimated market shares

	Market share %
Thorn	26
Philips and Pye	22
Japan (including U.K. manufacture)	12
ITT	8
GEC	9
Rank	6
Rediffusion	4
Decca	7
Others (mainly imports)	6

Source: industry estimates.

In spite of the increased sophistication of colour television sets, integrated circuitry has halved the number of separate components needed during the last decade, and the trend is likely to continue for at least the next five years.

By 1980, it is expected that about 30 per cent. fewer individual components will be required compared with 1975.

Thorn says nearly 1,400 individual components were used for a 20-inch colour set in 1970. The present figure is 673, to be reduced to about 400 by the early 1980s.

The proportion of these components which will be inserted automatically is expected to rise from about 8 per cent. last year to 60 per cent. by 1979.

A combination of these two developments means that by the early 1980s the direct labour requirement for inserting components will be only 15-20 per cent. of what was needed for an equivalent number of sets in 1975.

It is inevitable, therefore, that a large reduction in the 50,000 people employed in consumer electronics will have to be faced.

The National Economic Development Organisation sector working party for the industry has recognised that manning will have to be cut by 20-30 per cent., but this is a conservative estimate.

Thorn, which has about 26 per cent. of the U.K. market, and produces between 400,000-450,000 sets a year, expects to reduce its requirement for direct labour from about 4,750 in the first half of this year to 2,470 at the beginning of 1981.

In common with all the other manufacturers, Thorn realises that it cannot buck the trend towards higher productivity if it wishes to stay competitive in the world market, particularly against the Japanese.

As the U.K. market leader, with a captive rental outlet for more than half its production and three separate factories, Thorn is in a much more fortunate position than some manufacturers with smaller production.

One possible solution for the smaller-scale manufacturers would be to reach agreement with a Japanese company either fo ra joint venture or for the production under licence of some Japanese equipment.

NATIONALISED INDUSTRIES WHITE PAPER

BY JOHN ELLIOTT and COLIN JONES

Government dilutes NEDO proposals

ROPOSALS for reforming the way nationalised dustries deal with the Government and with special terest groups were published yesterday in a Treasury hite Paper.

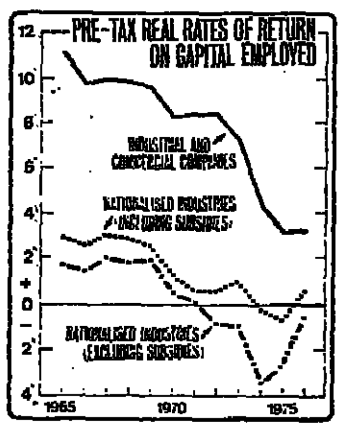
They take the form of a Government reaction to ore radical ideas put forward in a special National conomic Development Office report in November 1976. hey also embrace the industries' financial and economic amework.

They lay down new powers for Ministers to be able issue industries with *precise directives*. They also ggest experiments to give civil servants and consumers pardroom seats, *and the development of industrial* emocracy.

The *system of financial targets and guidelines* for ricing policy and investment appraisal, which was eveloped in the *1960s*, is to be reintroduced with ertain modifications.

The *main* changes are the introduction *of a 5 per* ent. "required rate of return" which each industry ill be expected to achieve on the whole of its investent programme, and the adoption of a system of performance indicators" which each industry will ublish in its annual report and accounts.

The White Paper says that the Government does not tend to repeat the mistakes of the early 1970s when e *nationalised industries were forced into deficits* by estraints on their prices.



THE NEDO *report in 1976* proposed a radical change in the industries' institutional arrangements, with each industry being run by a two-tier structure of a *policy council* responsible for strategy and a corporation board acting as the executive authority.

The Government, while agreeing that its own main concern should be the strategic rather than managerial issues of the industries, *does not accept that the* two-tier structure would necessarily help.

"The Government believes that, contrary to the NEDO's objectives, these arrangements would slow down the process of decision-making and would confuse responsibility and accountability," states the White Paper.

This does not mean that the Government rejects NEDO's arguments *about the need for relationships to be changed.*

The White Paper goes on to set out a number of developments which are now being proposed or *have already been introduced.*

These cover board membership, the role of special interest groups, the discussion of corporate plans, Ministerial powers, and the fixing of *monetary targets.*

On Ministerial power to issue specific directions to boards, the White Paper points out that present statutes empower a Secretary of State to give directions of a "general character" to boards on matters of national in*terest and, in some cases,* on particular specified subjects.

"In the absence of powers to give specific directions, governments have had to rely on a process *of persuasion.* Because this has been informal, accountability *for decisions*, has on occasions been blurred and this has caused friction and resentment.

"The Government considers that this situation should be avoided, and that it is wrong in principle that a Minister *cannot* statutorily intervene in specific matters of major importance subject to the approval of Parliament.

"It agrees, therefore, with NEDO that the present powers

> ‘In the absence of powers to give specific directions, governments have had to rely on a process of persuasion.’

should be extended to remedy this deficiency by enabling the Minister to give a board either general or specific directions on matters which appeared to him to affect the national interest.

"An important advantage of *the new power would be that* when a direction was given it would clarify accountability by indicating formally and publicly where the Government had decided to overrule a board's judgment or to direct it to do something in the national interest.

"The Government will put forward proposals accordingly for amendment of the statutes," says the White Paper.

"These legislative proposals will include a number of safeguards. A Minister would not be able to issue a specific direction before he has consulted the *industry in question. The direc*tion would be in the form of a statutory instrument, subject to Parliamentary procedures.

"The Minister would be required to publish, when the statutory instrument was presented, an estimate of the extra cost if any to the industry of implementing the direction.

"If the industry did not agree with this, their estimate would be published with the Government's comments on it. Compen*sation would be paid* where appropriate to cover the extra cost and the legislation would provide for this.

"There would also be powers *to override, when necessary* and subject to European Community obligations, any other duties except financial duties laid on an industry by its statutes, where *the specific direction might* conflict with these."

The Paper continues: "If Parliament approves these powers, the Government intends to use *them sparingly. One of the* themes running through this White Paper is that the relationship between governments and nationalised industries is close; and there will continue *to be* many issues on which the industries and the Government will *reach agreement* without the issue of specific directions and without any confusion of responsibility or accountability."

The White Paper rejects any comprehensive pattern *of* Board structure for the industries and says "The composition of each Board will be settled on an industry-by-industry basis by the Ministers concerned after discussion with the chairmen."

*The Government will also con*tinue to appoint part-time non-executive Board members independent of any special interest *groups.*

The Government has also decided that, in some industries, a civil servant from the sponsoring Whitehall Department, and in a few cases from the Treasury as well, should be appointed to a Board after consultation with the chairman.

The purpose would be to give the Department concerned a "clearer understanding of the industry and a better insight into its problems." The Board, too, would have "a clearer view, at a formative stage of their planning, of the wider objectives and implications of Government policy.

"*There is a potential diffi*culty arising from the dual allegiance which a civil servant would have to his Minister on the one hand and as a Board member *sharing* corporate responsibility of the Board on the

> ‘Nationalised industries, like *any commercial organisa*tion, must continue to show flexibility.’

other hand," says the White Paper.

To encourage industrial democracy, the White Paper says the Government wants all the industries, *after consultation* with their unions, to produce proposals by August.

The Government *says it* "also sees a role for consumer members on some nationalised industry Boards." But the White Paper concentrates on modifications to the present system of the individual industries' consumer councils, working alongside the National Consumer Council.

The Government is also "developing other ways of involving the main interest groups in the forward planning of an industry or a sector."

These include a tripartite forum, which already exists, involving the Government, management and unions in the coal industry, and ideas for setting up an economic *development* committee for transport. Relationships with industries' suppliers are also being studied.

Turning to corporate plans, the White Paper says that, for many years, the development *plans and investment* programmes of nationalised industries, covering periods five years ahead, have increasingly been formulated within the wider con*text of* both the industries' and the Government's objectives and policies.

"The Government considers that the corporate plan, and the examination of strategic options, should have a central place in the relationship between the *nationalised industries and their* sponsoring departments.

"As corporate planning is established more widely it will enable the annual review of the *industries' medium-term invest*ment programmes to take place in the context of known and understood longer term strategies.

"This is not to say that there will be no changes from year to year in the five-year plans of the industries for implementing the agreed strategies. The industries regularly revise their five-year programme, often substantially, to take account of changes in the outlook for the economy, in the demand for their particular products, in relative costs and prices, in the burden of their financing requirements, and in physical progress in the installa*tion of new plants or of new* buildings.

"Nationalised industries, like any commercial organisation, must continue to show flexibility and to make such changes.

"So that the select committee *on nationalised industries* and the public can be better informed of the industries' objectives, the Government has asked them to publish in their annual reports and accounts *a summary of the* broad objectives in their corporate plan, and the main points in any major review, and any Government response to them.

To improve monitoring of performance, the Government has also asked nationalised industries to include in their annual reports a statement summarising "the Government's main current instructions and guidance, and also information on how it is measuring up to its objectives."

Investment appraisal

N INVESTMENT, the White aper states that the Governent is discussing with the ationalised industries the evelopment *of a new way of* nsuring that they take into ccount the cost to the nation f the investment resources ey use.

The old system of investment ppraisal, based on discounted ash flow techniques and a test iscount rate of (since 1969) 10 er cent., had not fully lived up expectations.

In practice, only a limited proortion of investment had been ppraised by these methods. lany of the industries regarded uch of their *new investment* s necessary to maintain the xisting system or to meet afety standards or security of upply.

In future, the *opportunity cost* f capital would be represented y a required rate of return RRR) which the industries vould be expected to achieve n their *new* investment as a vhole.

As such, it would become a actor in pricing policy, the cale of investment, and in the etermination of financial argets.

An appendix explains why the overnment has chosen the igure of 5 per cent. in real *erms before tax* as the RRR. One approach would be to relate RRR to the pre-tax real returns chieved by private companies. This fell from over 10 per ent. *in the mid-1960s to around* per cent. in the early 1970s. In the last three years, the ate has been even lower (around 4 per cent.). But the profit rate achieved in the deepest recession since the *1930s* is not the best guide to prospective profits in the next 5-10 years although the recovery in private sector profitability is unlikely to be very rapid, the White Paper says.

Another relevant factor would be the cost of external capital to private firms. But this involves considerable *problems of* measurement and interpretation.

The measure developed by the Bank of England varied between 7 per cent. and 12 per cent. in *the 1960s and early 1970s* and *is* currently estimated at about 7 per cent.

A third criterion, favoured by many economists, would be "a public sector discount rate based on a measure of social time preference." But this method involves extreme *difficulties* of measurement.

The White Paper states that there is no theoretically correct basis: the choice must be a matter of judgment. In selecting 5 per cent. as the appropriate figure in current circumstances, the Government has given considerable weight to the rates of return the private sector has achieved in the past and to the external cost of capital.

It will be up to the nationalised industries themselves to *select the test discount rates they* apply to individual projects to meet the RRR on their whole investment programme.

They will, however, be ex*pected to consult the sponsoring* departments on the methods they use and also over certain major investment proposals.

Capital structure

THE WHITE PAPER rejects the NEDO argument that the *methods of financing* the industries has not been based on a consistent rationale. It states that the main features will remain as before.

The nationalised industries will not be allowed direct access to domestic markets for their medium and long-term borrowing, and Public Dividend Capital will not be made available to any more industries.

The Government has, however, *agreed to give some greater* flexibility in the terms of borrowing from the National Loans Fund.

One concession will allow in*dustries* to borrow, if they wish, medium-term maturities for up to 20 per cent. of their National Loans Fund borrowing which they would otherwise borrow long-term.

This is designed to meet the difficulty which has arisen under present arrangements, where some industries have found themselves with a debt structure consisting of temporary and long-term debt but *little or no* medium-term debt.

A further concession will permit an industry to capitalise interest charges during the con*struction of a major investment* project, instead of charging interest to revenue in the year in which it is incurred. This practice has already been adopted for certain capital-intensive industries.

Policy on pricing

THE White Paper says that it is primarily for each industry to work out the details of its prices with regard to its markets and its overall *objectives, including* its financial target. For many industries, prices are market determined to a considerable extent and in some cases completely so.

For the industries whose *market position* gives them scope for setting the prices they charge, the Government sees its main role as determining the overall financial target, and hence the general level of prices charged by that industry, in the light of *general policy objectives, includ*ing considerations of social, sectoral, and counter-inflation policy, as well as the need to cover costs including the oppor*tunity costs of* capital.

The Government will want to satisfy itself, however, that the main elements of an industry's pricing structure are sensibly related to the *costs of* supply and the market situation, and that it has developed the necessary information and accounting systems for this purpose.

Financial targets

FINANCIAL targets are central to the guidelines which the industries expect from the Government and are essential for their short and *medium term* planning. Targets for some industries have already been re-set — the White Paper lists these in an appendix—and others will be set, and *published* as *soon as* possible.

Generally, targets will be set for around 3-5 years, and their main form will be a percentage return *before* interest on the average assets employed by an industry—or, in labour-intensive industries, on turnover.

The Government intends that, as soon as possible, financial tar*gets should be put on some* suitable inflation-adjusted basis (as is already the case with the Post Office telecommunications business).

In future, the industries will show prominently in their annual reports and accounts their financial target, together with the actual outturn and a comment on the comparison between the two.

Performance indicators

FINANCIAL targets do not by themselves serve the purpose of stimulating the management of a monopoly industry to further efficiency since the targets can be *achieved by raising prices* or changing the level of services.

The Government, therefore, agrees with NEDO that the guidelines given to each industry should include targets for other aspects of performance.

In *future, the* industries will let sponsoring departments have performance indicators, including forward projections. They have also been asked to show prominently in their *annual* reports and accounts a number of key performance indicators, together with an explanation of why they have been chosen and of significant trends.

Cash limits system

MEDIUM-TERMS financial targets will continue to be supplemented by the present system of cash limits on each industry's external financing requirement, for one year ahead at a time.

The Government regards cash limits as a proper discipline on the industries' financial management and allows departments to keep in close touch with developments in the industries' short-term financial position in a *systematic and orderly way.*

The Nationalised Industries. HMSO. Price 75p.

Locum management · Consumer electronics · Training

BY MICHAEL DIXON

LOCUM management, in which self-employed professional executives fill shortish-term managerial vacancies in companies, has attracted much interest. Since I wrote seven weeks ago about former Matthews Wrightson Land chief Nigel Dyckhoff's plan to form an association of locums, numerous readers have got in touch wanting either to know more about the idea, or to tell me more about the practice.

For instance, George Luff, whose career has included *general management* with the Vestey group and with ITT on the Continent, says he would like to hear from any highly professional and multi-lingual managers interested in setting up a new locum group to work throughout Europe. Equally, if not more so, he wants to know of employing concerns who see a need for polyglot executive stand-ins "anywhere in the world."

Mr. Luff's address is 111, Chaussé de Louvain, Waterloo 1410, Belgium. Those preferring to telephone could contact him, probably most easily in the evening, on Brussels (02) 384 1943.

If he establishes his European group, however, George Luff will not have the field to himself. He had better know right now that locum management services are already available worldwide through the eight-year-old Intex Executives organisation.

Don Lueck, the American who works as Intex's managing director in the U.K., says the group has offices also in the U.S., France, Belgium, Scandinavia, Austria and Australia, and local correspondents in Germany, Japan and Hong Kong.

Each of the offices maintains its own register of fastidiously chosen management professionals, either general or specialist, available for what Intex prefers to call "executive leasing."

This temporary workforce is made up of three main kinds of people.

Some are retired business chiefs "who although they are just not interested in taking up another full-time post, don't want to vegetate, and so make themselves available for assignments lasting a few months at the most," Mr. Lueck says.

"Then there's another group, generally in their middle to late 30s, who have established themselves as independent consultants. They're not interested in full-time employment either, they like the change and challenge of different problems and projects. So they register with us as a source of extra assignments."

The third type are people whom Don Lueck refers to euphemistically as "executives in transition—their company may have gone bust, or they've been marooned by a merger, or become redundant in some other way in spite of their obviously high competence. And although they attach themselves to us for the time being, these transitional people are *primarily wanting to find a new* full-time job."

When an employing concern contacts one of the Intex offices with a need for a temporary general manager or specialist, *the office scans its own register* for a suitable shortlist. If it cannot find enough people of the required experience, the office then asks one or more of its fellow branches to put forward other willing and qualified candidates.

The 3,000 to 4,000 people on the Intex registers are not charged, Mr. Lueck says. But when the client concerned chooses its locum, it pays Intex a commission based on the fee, usually paid on a daily basis, it agrees with the new temporary employee. Fees range from as low as £32 a day to £100 or a little more, with the average being about £65.

As go-between, Mr. Lueck's organisation takes a commission amounting to about 30 per cent. on top of the money being paid to the locum. If, as evidently happens fairly often, client and worker decide to make the appointment full-time, Intex translates its charge to a placement fee of about 20 per cent. of the manager's annual salary.

While hardly ever short of suitable general and specialist executives, Intex is keen to register more who it thinks are up to its standards. "We're *looking for* people who've shown their excellence as—if they come from a big group—at least the head of a division. Those from smaller companies must really have been right at the top of their particular function.

"We have to be very selective because working on an executive-leasing basis tends to impose extra demands, and so our people need to have extra expertise to answer them."

Application forms for inclusion in the registers can be obtained from Intex Executives (U.K.) at 53-64, Chancery Lane, London WC2A 1QU. Readers wanting more information could *telephone Mr. Lueck on 01-831* 6925.

Another association for locums already established in Britain is Independent Consulting Executives, headed by Geoffrey Mills, also open only to people who have shown skill at top general or specialist management level. The address is P.O. Box 44C, Esher, Surrey KT10 0PR—telephone Esher 66600.

While interested in hearing from potential associates, Mr. Mills's main point in contacting the Jobs Column is to protest that the fee-levels suggested by Mr. Dyckhoff for independent locum work—£1,000 a month or £65 a day, plus a 20 per cent. bonus at the end of the task—are too low.

Wherever ICE can, Mr. Mills says, *it* quotes a price for doing a job, rather than for the time spent by the person in doing it. But where a daily charge is unavoidable, the proper market rate for a senior-rank locum is £200 to £300. Traditional consultancy houses, he adds, "charge much more than this for even quite inexperienced people."

Naturally, managers setting up as locums on their own would probably have to take less. But the ICE head insists that, when working on a project which takes all of the person's attention during the period concerned, a daily rate of around £150 *is needed if the locum is* to make a reasonable annual income.

After all, he adds, what client companies are looking for is temporary executives who are not only demonstrably competent, but also available to start the project and stop it, precisely when the client wants. If locums are to offer the required "availability," they can scarcely avoid experiencing considerable *gaps in their own programmes* of work. "Fee rates must reflect this," Mr. Mills says.

Quartet

SONPAR (LONDON), an import-export concern begun in Hong Kong more than 100 years ago, is looking for about four *skilled* sales types to help it to expand in the U.K., where it has been operating since 1961. The quartet, I gather, could well be from the ranks of the aforementioned "executives in transition," provided they fulfil the essential requirement of having well-developed business skills and senior contacts in large store and mail-order groups.

The work *is mainly* to boost sales of "consumer electronics," such as transistor radios, cassette recorders and so on, which the company imports largely from the Far East through its branches in Hongkong and Singapore. Responsibility will be to managing director Harry K. Sonpar in London, although only one of the posts is likely to be based there.

The other three will probably operate in the Midlands, in Wales, and in Scotland.

Mr. Sonpar has an open mind on pay. As salary, he does not expect to pay less than £5,000 and, given *candidates* with the right experience, would pay more. There would also be commission of course. Interested readers should write an outline description of their qualifications and send it to him at 210 Upper Street, London N1 1RN.

Complex

AS FAR as I have been able to see over the past decade or more, the Distributive Industry Training Board has not proved one of the real successes among the country's ITBs. And the main reason for its problems could well be the size and variety of the working sector for whose training the Distributive Board is responsible.

For example, about one in every 10 people employed in Britain come into the DITB's area, and they work for about 350,000 firms, companies, and public organisations in wholesaling, retailing, mail order, credit trading, builders' merchanting, and industrial distribution. At present, the Board's training division has around 250 staff in 16 area offices and its *Manchester headquarters*.

Its principal functional job, of course, is that of the training director who is responsible for putting together and recommending policies and plans for training activities to meet the needs of the complex of organisations. But the last trai[...] director left last October [...] John mandleberg, the Bo[...] chief executive who has [...] been covering both jobs, has [...] come to market for a rep[...]ment.

Copious knowledge of [...] training field is naturally e[...]tial, but it is *not enough*. [...] diversity of the Board's resp[...]bilities will also call for hi[...] developed skills of general [...]agement, and with the Bo[...] activities still way short o[...] covering the whole of it[...]dustry, leadership will [...] needed as well.

So candidates will hav[...] have been closely concerned [...] training, if not directl[...] charge of it, in the senior [...] of a big *group of* some[...] And if their experience inc[...] work in or associated wit[...] kinds of organisation with[...] DITB's scope, then so muc[...] better.

The age limit is from [...] 38 up to 50 or so. The [...] quoted is "not less [...] £12,000," but if the Boa[...] to get the sort of tr[...] director, whom it evi[...] needs, I think it will have [...] *prepared to go up to* pe[...] £14,500. Perks include a [...]

Career outlines to [...] Holmes of the Bull H[...] consultancy at 45 Albe[...] Street, London W1X 3FE [...] may be telephoned on [...] 2188.

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Applications are invited *from candidates, aged 24-32, with* a good degree and/or professional accountancy qualification, who will be familiar with sophisticated project appraisal techniques or new product costing. The initial brief will be to provide assessments for senior manufacturing management on financial implications of new product proposals, with a view to the Company maintaining its market leadership in an increasingly competitive environment. Essential qualities will include good communicative ability at all levels, and a numerate and analytical mind. Initial salary negotiable £7,000-£10,000, free BUPA, contributory pension and assistance with removal expenses if necessary. Applications in strict confidence under reference PAM3844/FT to the Managing *Director:*

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West of London

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Our clients, part of a multinational group of companies, are involved in the manufacture and marketing of sophisticated technical products. The need to increase its Financial Planning Department has created new positions for a *Manager and several Analysts* to assume the responsibility of Group and product financial planning and forecasting, and they will interface with functions such as purchasing, engineering and financial control at the various plants. Applicants, probably in their late 20's or early 30's, should ideally be qualified accountants, preferably ACMA, but graduates or finalists with relevant experience would be considered. Their experience should include at least 5 years *financial analysis, including product costing or* estimating, in a large company. For the new products jobs an engineering qualification would be an advantage. Relocation assistance is available. Preliminary interviews will be held in Manchester and/or London.

C.G. Moores, Ref: 24105/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB.

Hoggett Bowers
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Applications are invited from men or women

* Who are qualified accountants
* In the age range 30-40
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This is an excellent opportunity for a person with drive and potential wishing to make a contribution to the overall direction of a company as a member of the senior management team.

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The salary will also include a profit sharing arrangement.

Replies should be made in confidence to Dr. I. F. Bowers, quoting ref. 690/FT and mentioning any firms to which they should not be forwarded.

Deloitte, Haskins & Sells, Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

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LSCA

City of London **Salary negotiable**

The London Society of Chartered Accountants is the largest branch of the Institute of Chartered Accountants in England and Wales. In the main autonomous, it provides a wide range of activities for its 16,000 members, including a very substantial annual programme of courses and social events, an agency for the introduction and placement of chartered accountant students with member firms, a magazine, and all the usual services of a professional society.

The present secretary is moving to the Institute, and the Society wishes to appoint a new Secretary.

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This important post, which carries contributory pension arrangements, will suit a man or woman in the 40–55 age group.

Please write in confidence, enclosing concise personal and career details quoting ref. T861 to J. D. Atcherley.

AYMS

Arthur Young
Management Services,
Rolls House,
7 Rolls Buildings, Fetter Lane,
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PA Personnel Services Ref. GM27/6352/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
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ACCOUNT OFFICER – CONTINENTAL EUROPE £ negotiable
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Contact: David Grove

AUDITOR £6,250+
An international bank seeks a senior internal auditor. Ideally, candidates should be qualified A.I.B., but international audit experience is of greater importance. The appointee will be responsible for 2/3 Audit teams, reviews and reports to Senior Management.
Contact: Roy Webb

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170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

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If you would like to be advised of openings appropriate to your background please write to Michael Berger, F.C.A., Managing Director, Executive Resources International, (UK Office), 87 Jermyn Street, London SW1Y 6JD, giving details of your qualifications, experience and current circumstances (including domestic), and an indication of the sort of appointments in which you would be interested.

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Financial Controller Designate

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N.P.S. Lilley, Ref: 22054/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, WIE 6EZ.

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Duncan Ross,
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The Electricity Council
30 Millbank
London SW1P 4RD

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Please telephone (01-629 1844 at any time) or write – in confidence – in the first instance for a personal history form. D. M. Watkins ref. B.1843.

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Financial Controller

London c £10,000

An old established and substantial national organisation undertakes advisory work in the fields of employment, manpower, economics and industrial law; interprets Government policy; provides a comprehensive information and statistical service; and represents the interests of its members.

They are looking for a chartered accountant to be responsible for the internal accounting and financial control function and to supervise the pension and other funds. The new Financial Controller will be entrusted with an additional new responsibility of serving member organisations by interpreting new Government orders which affect them and representing their interests when necessary.

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Applicants, who must be ambitious qualified accountants under 35 years of age seeking to develop their careers, should apply giving full personal details, a summary of their career development to date (including salary progression), the names of two referees and a statement as to what interests them in the position to:

The Financial Controller,
Selfridges Ltd.,
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£16,000 + p.a. Process Plant

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The position is based in the London area and applications are sought from the highest calibre individuals who have the stature and ability for further progression. Our client will welcome *applicants of any European nationality* since expatriate arrangements are available.

Applications should include details of current salary and contact telephone number.

Ref: A8608/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

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33 Shaftesbury Avenue,
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Alternatively, write with brief résumé of your career to date indicating why you think you are suitable for this post to him at:
Honeywell I S Ltd., Network Information Services Division,
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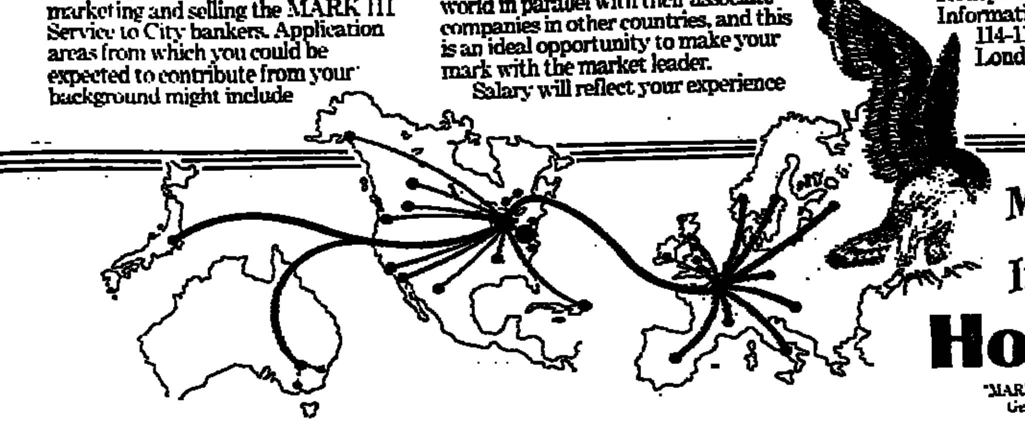
London WC1B 5AB.



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Financial Director

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Dixons

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BANKING

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Charterhouse Appointments
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Telephone 01-236 1221

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For further details please telephone or write in strictest confidence to:

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OIL/c. £9,000...
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35 Dover Street, London W1X 3RA. 01-493 0617
Recruitment Consultants

Liberal Budget proposals press for a £4.4bn. reduction in direct taxes

BY PHILIP RAWSTORNE

PROSPECTS of the Government being forced into an early General Election receded yesterday as the Liberals muted their threat to Mr. Denis Healey's Budget.

Mr. David Steel, Liberal leader, said that the party's 13 MPs would probably vote in support of the Budget resolutions *and the second* reading of the Finance Bill later.

"I do not think we are likely to find any items that are objectionable," he declared.

Mr. Steel, speaking at a Press conference on the party's own Budget proposals for a £4.4bn. reduction in direct taxes, said that Liberals would vote for additional tax cuts in the Finance Bill committee if the Chancellor failed to make substantial moves towards their targets.

The Prime Minister has indicated that the Government would have to treat any major series of defeats on its Budget strategy as a confidence issue.

But the signs are that the Liberals will not push the Prime Minister *to the election brink in* demonstrating their political virility.

Mr. Steel yesterday maintained a flexible position, refusing to define in advance what the Liberals would consider as unsatisfactory tax cuts by the Government and declining also to take a rigid stand on any of his *own* party's proposals.

Mr. John Pardoe, Liberal Economic Spokesman, said that the Budget provisions which he has been pressing on the Government *represented* a radical and bold move to encourage economic initiative and expansion.

As a first step in a three-year programme of switching the tax burden from direct to indirect taxes, the Liberals propose a reduction in the standard rate of income tax, from 34p to 30p on the first £8,000.

Personal tax allowances would be roughly doubled and the top rate of tax reduced from 83 per cent. to 70 per cent. with correspondent cuts in the other higher rates.

The rate of investment income surcharge would be cut *from 15 per cent. to* 10 per cent. and the threshold at which it applies, raised by £500.

Total *cost of these measures* would be £4,437m.

In addition, the Liberal proposals provide for further help to small businesses—including a 25 per cent. Corporation Tax on profits below £50,000 and VAT relief for bad debt.

But additional public expenditure would be restricted to a £1 increase in the child benefit in November, costing £250m.

"Although we recognise the severe strain that has been placed on many public services *by the cuts in public spending,* we believe that reductions in income tax are so important to Britain's wealth creating faculties that every available penny *this year* should be spent in reducing income tax."

With a total Budget cost of just under £4.7bn., the policy document adds that a Liberal Government would feel able to reflate the economy by £4bn., finding the balance in modest increases in taxes on expenditure.

But that would require the backing *of an enforceable* incomes policy to restrict the increase in earnings to 5 per cent.

The Liberals suggest that, even without an incomes policy the Government *should* reflate the economy by £3bn.

The balance of £1.7bn. could be raised through increases of 5p on cigarettes and 2p on a pint of beer, with comparable increases in the duty on spirits.

These moves would be further justified on public health grounds, the Liberals argue.

In addition, the VAT rate would be standardised as 10 per cent. and the surcharge on employers' National Insurance *contributions raised* by 1½ per cent.

The total effect of the measures would be to raise the retail price index by 2.7 per cent., but this would be more than offset by a 4 per cent. increase in net incomes.

● Britai nstill has a hard slog to endure before the economic corner is turned, Mr. Peter Walker, *former Tory Industry* Minister, said yesterday.

In an open letter to Mr. James Callaghan, he told the Prime Minister that he was concerned about the impression given by the Government that the country hvd embarked on a strong economic recovery.

"If your optimism turns out to be ill-founded, there could be *serious* political and economic repercussions," Mr. Walker warned.

"The British people have been promised too many false dawns in the past by politicians of both parties."

Mr. Walker expressed anxiety about bogus productivity deals, unemployment, industrial disputes and imports.

"My *conclusion* is this: on all the real indicators of economic success . . . our recent record is grim.

"The British people need to be told—and would respond to—the hard economic facts of life by their political leaders. Instead, they are on a diet of political propaganda which will leave them disillusioned and bitter when reality dawns."

MP urges new look at control of finance

ARRANGEMENTS MADE by the Welsh Assembly for controlling the spending of public money *should* take account of practices overseas and not be confined to the methods followed at Westminster, Mr. Denzil Davies, Treasury Minister, suggested *in the Commons last* night.

Speaking in the resumed debate on the Committee Stage of the Wales Bill, he commented the systems used in France and the U.S. to control public expenditure and contended that they could well be studied with advantage.

"I believe that we in this House have to learn from other legislatures in the way they deal with the matter of financial control," he said.

Members of the Welsh Assembly would be able to decide for themselves how control should be exercised over the spending of public money.

Without making any commitment, the Minister promised to *consider* whether any change could be made in the Bill to clarify provisions designed to ensure that money allocated to the Assembly was only spent for approved purposes.

He strongly defended the clause authorising the appointment of a Welsh Comptroller and Auditor General and denied that involved a "hiving off" of a portion of the Comptroller's and Auditor General's Department at Westminster.

Mr. Timothy Raison (C Aylesbury) criticised the Government for failing to explain why the Welsh and Scottish assemblies would be free to grant commercial contracts which did not contain the clauses introduced at national *level to ensure* observance of theincomes policy.

He asked if it was acceptable that the "odious" contract clauses required by the central Government should not be applied *to the Welsh Assembly.*

Benn incenses Opposition over oil licence awards

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE ENERGY Secretary, Mr. Anthony Wedgwood Benn, came under attack from the Conservatives in the Commons yesterday, when he announced the award of nine production licences to the British National Oil Corporation *in the North Sea* and South Western Approaches, and one to the British Gas Corporation in the Irish Sea.

The Tories were particularly *incensed* that Mr. Benn is also to give the two State corporations the first option on acquiring any first or fourth round licences disposed of by existing holders.

The only part of the announcement welcomed by Mr. Tom King, the Conservative Energy spokesman, was the decision to hold a sixth round of licensing in which *40 blocks would be open to* application from private-sector companies.

"We have the gravest reservations about the rest of the statement," Mr. King said.

He thought that the preferences given to BNOC and British Gas flew in the face of assurances given by the Government on the second reading of the Petroleum *and Submarine Pipelines Bill.* At that time, Ministers had promised that no special privileges would be given to BNOC.

To give a pre-emptive right to first options which had not been included in that Bill was, he argued, "very close to an abuse of Ministerial administrative power."

It was essential for the oil companies to have fair dealings with the British Government in the development of our national resources. The Tories did not regard the statement as helpful in this respect.

But Mr. Benn—who had wholehearted support from the Labour benches—was unrepentant. He said: "In my opinion, it is right and proper that this country, whose future depends on energy, should have control and ownership of a growing share of the North Sea."

"This policy will help to improve the national equity share in earlier licences, which at present amounts to only about one-eighth of the area licensed."

He was not at all surprised at the Tory reaction, as he had always known them to be opposed to any extension of British control over oil in the North Sea.

He recalled that the Opposition had often forecast various disasters, and said that foreign investors would be deterred by Government action. All of this had proved false, and, despite the Tories' warnings, the necessary investment had been forthcoming from the oil companies.

...Mr. Eric Heffer (Liverpool Walton), a leading Left-winger, said that there would be full support for the statement from Labour back benchers, and it was *totally in line with party policy.*

He accused the Tories of trying to hold the country to ransom over North Sea oil, and urged Mr. Benn to move step by step towards full public ownership, so that the people of the country would receive the full benefit.

From the Opposition back benches, Mr. Peter Rost (Derbyshire S.E.) argued that it was a Conservative government which ha dset the oil flowing in the first place. He saw Mr. Benn's announcement as a further step towards "back-door nationalisation."

It was, he said, a breach in undertakings given to the House by Mr. Eric Varley, the previous Energy Secretary, and would do nothing to improve the prospects *for more efficient production of* the oil.

Clash over economic outlook in campaign

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE CONSERVATIVE leader, Mrs. Margaret Thatcher, and Mr. Roy Hattersley, Prices Secretary, clashed yesterday over differing assessments of Britain's economic prospects, when they both entered the Garscadden by-election campaign.

Polling in the Glasgow constituency *is in* a week's time, and the Labour party is defending a 7,600 majority against attack from five other candidates.

Mrs. Thatcher, *who* held her own against Trotskyist hecklers during a walkabout in a neighbourhood shopping-centre, said that although the rate of increase in prices would continue to fall until July, it would then start to rise again.

The Government's achievement in reducing inflation to single figures merely meant that the value of money would be halved every eight years, instead of every four.

Mr. Hattersley also had to contend with hecklers, using a loud hailer when be followed to the same *shopping* area a short time later.

He stressed the importance of next Tuesday's Budget and the reduction in inflation in raising living standards, but said there was more work left to do.

"The pessimists who predicted that the improvement in the rate of inflation would be a temporary achievement have lost *the last justification for* their gloomy prophecies. Our inflation rate will continue to fall and only the malicious and prejudiced will continue to claim otherwise.

"And our successful fight against inflation is also an important element in our campaign to reduce unemployment. Many jobs have been lost —*particularly in export industry* —simply because our prices were too high."

Port unions seek State ownership

By Our Parliamentary Staff

UNION LEADERS at the Ports of London and Liverpool have made representations to the Government about possibly being taken into public ownership, Mr. William Rodgers, Transport Secretary, disclosed yesterday.

He was replying to Conservative criticism of the Labour Party's commitment to nationalisation of the ports.

Mr. Norman Fowler, Tory *Transport spokesman, said* that in the case of Felixstowe, there was no demand for nationalisation, either in the industry or outside. "Overwhelmingly, the need is for stability," he said.

Mr. Rodgers replied that in the case of London and Liverpool, representations had been made to him recently about a change of *ownership.*

"We must have a port industry in this country well-equipped to meet demands, and in some respects it has had a sorry history of industrial relations," he said.

Conservative bid to abolish investment surcharge fails

AN ATTEMPT by a Conservative backbencher, Mr. John MacGregor (Norfolk S.) to introduce a Bill to abolish the investment income surcharge was defeated by a majority of 16 in the Commons yesterday.

The measure received strong support from other Conservative MPs but *was* opposed by Labour backbenchers after it came under bitter attack from Mr. Austin Mitchell (Lab, Grimsby), the former television interviewer.

Mr. MacGregor, obviously with an eye to the possibility of changes in the surcharge in next week's budget, maintained that it was doing serious damage in a number of important areas.

*It discouraged personal inves*tors and thus contributed to the difficulties of small businesses in raising finance, and to the domination of the market by the large investment institutions.

In agriculture, landlords who rented out land were hit by the surcharge because the money they received was treated as investment income.

Its abolition would also help to unravel the present muddle in the savings field, he said. At the moment, gilts and some other forms of investment enjoyed considerable tax advantages, while building society investments and similar private sector savings suffered the full effects *of taxation.*

Mr. MacGregor maintained that the surcharge was particularly unfair to the retired people who were taxed at a marginal rate of 49 per cent. on their investments.

This was far higher than the rate paid by retired people who only drew a pension, from their previous employment.

He recognised that the total abolition of tax was a big step to take at one time, but at deast the Chancellor could make a start by raising the threshold for payments to take account of inflation in recent years.

From the Labour benches, Mr. Mitchell said there had always been a distinction between earned and unearned income. This went back to 1907, and had been accepted by all Governments.

He thought the presentation of the Bill was a further sign that "Selsdon man" lived on in the Tory party.

"We are the party of equality," he went on. "We are *seeing the typical Conservative* device for shoving widows, orphans and small businessmen into the front lin eof an argument which is really about big money interests and big capital."

NHS cuts £18m. from fuel bill

THE National Health Service has sliced £18m. off its fuel bill, cutting energy costs by nearly 20 per cent., Dr. John Cunningham, Under-Secretary of State for Energy, said yesterday. By the mid-1980s the NHS hoped that savings would be up to 30 per cent.

Dr. Cunningham, speaking at the inauguration of the Doncaster Area Health Authority's energy conservation campaign, said: "With expenditure on the nation's fuel consumption estimated at £16bn. in 1977, just a 10 per cent. saving on that represents £1,600m. saving on the British fuel bill.

"The National Health Service has indeed done much better than the 10 per cent. rule of thumb."

Cancelled

MRS. MAUREEN COLQUHOUN, the Labour MP for Northampton North, has cancelled her weekly "surgeries" and all other engagements for the next month because she has chicken pox.

Rodgers to inquire into BRS meeting

BY OUR PARLIAMENTARY STAFF

THE TRANSPORT Secretary, Mr. William Rodgers, assured the Commons yesterday that he *would ask why* British Road Services held a recent management meeting in Las Palmas.

When he told MPs that he was due to meet the chairman of the National Freight Corporation shortly, Mr. David Mudd (C., Falmouth and Camborne), asked the Minister to ask why the January management meeting of British Road Services was held in Las Palmas, with wives in attendance, instead of London as was customary.

Mr. Rodgers replied: "I will certainly ask him that question because I don't know the answer."

Mr. Peter Temple-Morris (C., Leominster), urged that as the considerable achievement of the corporation had been brought about by the management's "aggressive private enterprise," the Government should pass back an interest in the corporation to the private sector.

Mr. Rodgers replied that if Mr. Temple-Morris's analysis was right, the logic was that the corporation should be allowed to expand into a larger public sector.

● Mr. *William Rodgers* denied yesterday that he was taking part in discussions aimed at reviving the Channel Tunnel project in a modified form.

During *questions* in the Commons, he was asked by Mr. Phillip Whitehead (Lab. Derby N.) to confirm or deny reports the discussions were going on over a modified version of the tunnel.

Mr. Rodgers replied: "I am certainly not taking part in any discussions of the kind mentioned. But the Channel Tunnel could be important both to the railways of this country and on the Continent, and might result in more freight being carried by rail."

Metrication Orders under attack

By Rupert Cornwell

THE GOVERNMENT may have to admit defeat on its efforts to push through Parliament two *controversial Orders enforcing* metrication for a whole host of foodstuffs and other goods sold over the shop counter.

It is under fire from the Conservatives, who insist that metrication should be voluntary, and from the influential all-pary back-bench committee, whose task is to vet the Orders, introduced under the Weights and Measures Act of 1976.

Already, the Department of Prices and Consumer Protection has been highly embarrassed by confusion over the exact punishment to which shopkeepers who ignored the new legislation were liable, and Mr. John Fraser, the Prices Minister, has had to retract statements for his own civil servants.

Now, the Government has postponed introduction of the two Orders before the Commons. This follows objections from the joint committee on Statutory Instruments (as such Orders are called) to their highly ambiguous drafting.

The Orders deal with hardware and textiles, and *food*stuffs. But the real significance of the committee's stand is the proof it provides of the new rebellious mood among MPs at the Government's habit of using the "back door" method of Parliamentary Orders to put important legislation on the Statute Book.

SNP outlines proposal

THE SCOTTISH National Party yesterday unveiled a proposal which, it says, would encourage the setting up of more firms in an independent Scotland.

Under the scheme, government development agencies would em*ploy full-time experts to advise* on the practicalities of setting up a business.

These "salaried entrepreneurs" would provide the vital link to help someone with a business idea to translate it into reality.

The proposal is contained in a draft policy document, to be submitted to the party's national council later this year, on the *setting up of co-operatives in an* independent Scotland.

The document says firms set up under the scheme should be transformed into co-operatives once they are successfully established.

"The skills and experience to successfully set up a new business enterprise are neither automatically possessed by those with the *capital to start a business,* nor are they exclusive to individuals with such capital," it says.

"The SNP believes that a significant contribution to the *expansion of employment* in small and medium sized enterprises under Scottish control can be achieved by salaried entrepreneurs employed by Area *Development* Officers working within industrial development plans, agreed with the relevant local authorities and financed in the main from government *sources.*"

Mr. Tom McAlpine, SNP vice-chairman and convenor of the party's industry committee, said at a Press conference in Edinburgh yesterday: "In recent years, the potential of the self-management enterprise has been obscured because all toq many new co-operatives have been on the point of collapse when they were converted into such enterprises—and the considerable successes of estabished co-operatives have been overlooked."

Whitehall moves nearer to 10% pay settlement

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT came within sight of clinching a 10 per cent. earnings deal for its 500,000 *civil servants in line with the* pay policy when one of the big unions gave up the fight yesterday.

Meanwhile, senior officials of the engineering unions considered a draft national agreement for their 1,250,000 members after the Government's decision to exempt the low-paid *from the guidelines.* A deal could be signed at the Engineering Employers' Federation headquarters this *morning.*

The national executive of the *Society of Civil and Public Servants* decided "reluctantly" after a vote yesterday that it had no alternative but to recommend acceptance of the Government's offer.

Starting with a 22-27 per cent. claim, the Society had tried to take its claim to arbitration, but was told on Monday that the Government could refuse arbitration "on grounds of policy."

Because the biggest of the unions, the Civil and Public Services Association is to make its decision to-day, the Society had hoped to keep news of its climbdown secret until then.

It is thought most unlikely that the CPSA will stand out against the Government alone of the unions, despite its own reservations about the offer.

Another six unions, led by the Institution of Professional Civil Servants, have indicated their acceptance, but are unlikely to make the announcement until *next week.*

In spite of their ability to cause considerable disruption, the Society's leaders appear to have been influenced by the Government's determined stand against the firemen's strike.

The civil servants' agreement would run from April 1.

Railmen's pay talks hit new trouble

BY NICK GARNETT, LABOUR STAFF

PAY TALKS for railmen hit further trouble yesterday when the drivers' union, ASLEF, flatly told British Rail that it did not accept the basic principle of the productivity scheme offered by the Railways Board.

At the same time, the dispute over bonus payments for pay-train guards—ASLEF is claiming comparable bonuses for all its members—has run *into* further difficulties.

British Rail reaffirmed yesterday that it was not prepared to pay the bonus to train drivers.

The Transport Salaried Staffs Association has also demanded bonus payments.

The productivity scheme bases payments on total business performance of the railways, based *on a ratio of manning to traffic.* It includes changes in working practices and commitments on staffing levels.

Mr. Ray Buckton, ASLEF general secretary, said after further talks between British Rail and the unions that the principle of the scheme would be retrograde.

His union is seeking a deal relating payments direct to improved productivity of the workforce, rather than to business performance which, said Mr. Buckton, was "at the whim of anything."

British Rail has offered the deal in association with a direct pay offer of 9.6 per cent. on the wages bill, worth a total of £57m., of the 177,000 workers employed *directly on the railways.*

Both the National Union of Railwaymen, the largest rail union, and the TSSA have told British Rail that they were pre*pared to discuss productivity* payments on the basis outlined by the oBard.

Mr. Sid Weighell, NUR secretary, said after yesterday's talks that he would put forward different proposals grom those of British Rail on the way the direct pay deal within Government guidelines should be made.

The executives of the rail unions will now discuss yesterday's talks and are due to meet the Railways oBard again next Wednesday. A new pay deal is due on April 24.

Redundant steelworks may go up for sale

BY ROY HODSON

THE POSSIBILITY of redundant British Steel Corporation steelworks being sold to private enterprise buyers has been raised in a correspondence between Sir Charles Villiers, chairman of the corporation, and Mr. Patrick McNair-Wilson, Conservative MP for the New Forest.

After British Steel had adver*tised for new investment in steel* closure areas, Mr. McNair-Wilson write to Sir Charles to ask whether buyers would be allowed to take over complete steelworks.

Sir Charles replied that "this is something we would be ready to discuss," but added that the equipment was old-fashioned and would not be suitable for a modern economic operation.

Mr. *McNair-Wilson said* last night: "Sir Charles does not set out any apparent objections to the sale of these plants and one wonders, therefore, whether he has taken into consideration the nationalisation legislation."

Mr. McNair-Wilson also wants to pose a further question to Sir Charles, who is abroad: Would the corporation consider bids from foreign countries for old steelworks?

Closures have recently been arranged at Clyde Iron and East Moors, Cardiff, and Hartlepools, Teesside, and talks are to start soon towards *sealing the closure* of steelmaking at Ebbw Vale.

Any private sector company considering a steel business on one of the sites would have to re-equip with modern plant in order to be competitive.

The concept of private sector steelmakers taking over a BSC site is not entirely novel.

Eight years ago, some mem*bers of the British Independent* Steel Producers Association explored in outline the idea of taking over East Moors to provide the private sector with an assured supply of bulk steel. The idea was soon dropped.

Suspended Rolls-Royce workers reopen plant

BY OUR BIRMINGHAM CORRESPONDENT

ROLLS-ROYCE workers yesterday reopened the aircraft engine factory at Ansty, near Coventry, which management had closed *because of a pay dispute.*

The 1,400 manual workers had been suspended, and 350 staff were also laid off. They joined 2,600 other manual workers also suspended at the neighbouring Parkside Works, Coventry, where 2,000 staff are laid off.

The Parkside workers are occupying the factory, although all electric power has been cut off. Yesterday they received support at Ansty, where they switched the power on again. Men continued to finish the work available in spite of a lack of *supervision.*

Ansty repairs mainly military engines, including the Olympus for the Vulcan. No customer is expected to be in serious difficulties *in the short term.*

Parkside supplies other Rolls-Royce factories and is marginally involved in the £250m. TriStar deal with Pan American Airways *for which Rolls is providing* engines.

Nominally the dispute is over 0.3 per cent. of a 10 per cent. deal. Management has offered an increase of 9.7 per cent. and intend to put aside the remainder as part of a programme to switch from piecework to a measured day rate system.

Airline urged to buy British

TRADES UNIONS in the U.K. aerospace industry bringing pressure on British Airways to buy U.K.-built aircraft to meet its immediate need for a Trident and One-Eleven replacement, and to reject U.S.-built Boeing 737 *jets.*

The airline's Board meets this week and is expected to discuss aircraft procurement policy. It is understood to prefer Boeing *737s to meet a need for up to* 20 short-range aircraft by 1980.

A statement by the unions said that the airline must be pursuaded in the national interest *to buy aircraft from* British Aerospace with Rolls-Royce engines.

Factory safety warning

SENIOR officials in the factories inspectorate are predicting more industrial conflict if managements fail to match up to trade union standards on accident prevention when shopfloor safety representatives are give statutory backing in October.

Their warning was given in London yesterday when members of the Health and Safety Executive introduced their 1976 report on health and safety in the manufacturing and service industries.

The report shows that deaths caused by industrial accidents in that year were the lowest this century

The total of reported accidents between 1975 and 1976 also dropped from 244,140 to 241,685, but they are expected to have risen again last year to 244,500

Lottery scheme offer to cut days off

By Our Own Correspondent

HONEYWELL'S 1,400 Scottish workers meet to-morrow to decide whether to accept a revolutionary lottery scheme intended to reduce absenteeism.

The company proposes to stake *up to £1,000 each month* in the lottery, providing absenteeism is cut to an average rate of 5 per cent. At present, the rate averages 12 per cent. between the U.S. company's two factories at Uddingston and Newhouse in Lanarkshire.

The scheme would operate when absenteeism reduces to 8 per cent. Then a *£400* stake would be put up to provide £50 prizes for eight workers. The stake would increase by £200 for each percentage point reduction to a miximum of £1,000, when 20 prizes would be on offer.

Port strike

A STRIKE by 500 maintenance engineers could stop work at Southampton port. The men are in dispute over pay and over terms for working the new South African container terminal, berth 206.

The British Transport Docks Board said that members of the Confederation of Shipbuilding and Engineering Unions, were promised parity with the dockers, but the pay policy made this impossible to carry out.

Dons dispute

MANY university dons are likely to refuse to mark final degree examinations this summer because of a pay dispute with the Government.

Dr. Andrew Taylor, of the *Association of University* Teachers, told the National Union of Students conference in Blackpool that the AUT was planning action over an anomaly caused by imposition of incomes curbs.

Race complaint

THE TUC has criticised the report of the Select Committee on Race Relations and Immigration for its suggestion that the Government should announce annual figures for immigrants from the Indian sub-continent. It sees this as discriminatory.

It also condemns proposed identity checks on black citizens and recommendations of restricted entry for children over 12, *which it says are likely to* cause suffering and ill-feeling.

Pay 'insult'

PERKINS Diesel Engines plant at Peterborough is threatened with a shutdown because of a strike by its 7,000 workers force. A company offer of between £4 and £5 a week has been rejected *by unions as "a calculated* insult."

Ceramics ballot

THE NATIONAL executive of *the Ceramic and Allied Trades* Union has recommended acceptance of a new pay deal for its 50,000 members. Voting will take place to-day or tomorrow, but no details are being given until the ballots have been completed.

Metro talks

NEARLY 1,000 busmen yesterday voted not to boycott work on the £160m. Tyneside Metro after the Tyneside Passenger Executive offered new talks on their £30 a week pay claim.

Court ruling

THE ENGINEERS' and Managers' Association has asked the High Court to rule that the *Advisory Conciliation* and Arbitration Service had a statutory duty to deal with an inter-union conflict over recognition at a GEC plant at Whetstone, near Leicester.

Export plans for Islay

THE Receiver of the collapsed Scottish Development Agency subsidiary, Scofisco, has sold the company's Islay shellfish processing factory to two Scottish companies.

The factory, which employs 22 and has been kept open after the closure of the main processing plant in Glasgow, has been bought by John King, of Kirkcudbright, and Sco-Fro, of Glasgow.

The purchasers are jointly forming a new company to operate the *factory,* which they hope to expand into freezing other products for export to the Continent and the U.S.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Imposes a picture

DEVELOPED by the special components department at Ferranti is the Cirrus 100 video map generator using television flying spot scanning techniques.

Occupying seven inches of 19 inch racking, the unit can be used for direct map generation in air traffic control or ATC simulators and also has naval applications in the simulation of radar pictures for tactical and operational training.

The unit can scan two slides at the same time: the second channel can be used for the generation of secondary effects such as cloud or sea clutter. The field resolution is 1500 points per diameter.

Optically pre-aligned modules are used in the construction so that servicing in the field is a simple changeover operation with no alignment procedures.

More from Gem Mill, Chadderton. Oldham, OL9 8NP (061-624 0515).

Laser unit from Itel

UNDER an agreement with Siemens, Itel is to incorporate the basic writing system of the German company's 3352 laser printer into a new machine, the Itel 7800 which, by the application of suitable electronics will be plug compatible with the IBM 3800.

The Siemens system uses an acousto-optical deflector fed with vhf ultrasonic signals to deflect the laser beam in the vertical axis, with movement in the horizontal achieved by a multi-sided mirror. The beam is directed at a photoconductor drum which is charged electrically before exposure, being discharged selectively by the beam to form characters to which toner adheres. The drum transfers the image to paper.

The Itel machine will be able to work in conjunction with the Itel Advanced System computer, IBM 370 (models 145 and above) and to the IBM 303X series.

Compared with the IBM printer, Itel claims improved print quality and a 16 per cent. weight reduction. Paper sizes from 3.5 x 6.5 inches up to 14 x 15.8 inches can be handled.

The machine can print at speeds up to 19,500 lines/min, which is about 145 pages of A4.

More on 01-581 2513.

● HANDLING

Truck has variety of uses

GEEST'S plastic-based truck has been moulded in polypropylene for a high degree of hygiene and, by changing its superstructure, it can become any one of several variants: a one, two or four-sided truck; a double-decker platform trolley; or an adjustable tray trolley which can accommodate up to seven shelves in addition to the base.

The truck is completely suitable for almost any application in supermarkets, warehouses, hospitals, canteens, offices, schools and factories.

The silver-grey, non-slip base, which is manufactured in ICI Propathene, will not rust, corrode, rot or splinter, and remains unaffected by water, oils and fats, and most chemicals and acids.

Though it is of lightweight construction, the truck is robust and durable, and will carry evenly distributed loads of up to 500 kgs.

The base, which was designed and moulded by British Industrial Plastics, carries a five-year guarantee.

The entire truck is supplied in knock-down form for easy assembly, making it ideal for shipping to overseas markets.

Geest Industrial Group, West Marsh Road, Spalding, Lincs. PE11 2BD. 0775 61111.

Part of the assembly area at Redifon's new factory.

Redifon renews its range of equipment

R-RANGE describes six compatible minicomputer-based families of equipment, developed over the past several years by Redifon to provide large volume data entry, as well as intelligent local processing, using latest available technology.

Redifon, which is a major supplier to a number of East European countries, has set up an entirely new 28,000 square foot factory to make the equipment. This can talk to ICL, IBM, Burroughs and Univac computers and can take data from many media including OCR, OMR and punched records.

All the hardware systems are based on a Redifon R3000A minicomputer with 64 or 128KB of core memory, 1.2 microseconds memory access time for 16 bits, and high-speed direct memory access for fast peripherals.

The R100 to R550 have between up to 8 and up to 48 visual display units of 480 characters with optional keypunch or U.K. typewriter keyboard.

Upper and lower case in U.K., Polish, Cyrillic, Czechoslovakian and Hungarian character sets are provided. The terminals can be locally connected up to 2,000 feet from the CPU. One serial or line printer can be connected to each terminal.

The two larger machines, R830 and R850, both have diskette drives and a variety of peripherals including up to eight or up to 24 displays, as well as ability to communicate with equipment from the above four manufacturers.

The R830 and R850 micro-terminals which can emulate mainframe terminals are microprocessor based, with upper and lower case, optional keypunch or U.K. typewriter keyboard, and U.K., Polish, Cyrillic, Czechoslovakian and Hungarian character sets. The micro-terminals can be locally connected up to 2,000 feet from the processor or up to 4,000 feet using line drivers. One daisywheel or line printer can be connected to each micro-terminal.

Software products cover a spectrum of functions from basic data entry to advanced transaction processing and multi-media operation.

Compatibility with existing Seecheck and Redicheck software has been maintained.

The R-range will be marketed directly to end-users by Redifon Computers in six countries: U.K., Eire, CSSR, USSR, Poland and Hungary. Start up-operations in the Middle and Far East will proceed during 1978. First deliveries begin in June. More from Redifon Computers, Kelvin Way, Crawley, Sussex. 0293 3124.

● METALWORKING

Cuts the cost of castings

GLYNWED'S Central Resources Unit has been experimenting with a technique to provide castings without the problem of fettling or cleaning down. The method is known as the V-process, invented in Japan in 1971, and advantages so far apparent are that it is possible to provide both a clear surface finish and improved accuracy which enables subsequent machine operations to be reduced quite dramatically.

Briefly, the process utilises dry silica sand as the moulding material. Vital mould integrity is maintained during casting by an applied vacuum which gives its initial to the process. Consequently, no binders are used. The sand can be re-circulated with minimum handling, and it is only necessary to screen and cool the sand during re-cycling. Loss of moulding sand at each cycle is approximately 3 per cent., resulting in a saving on moulding material usage.

Due to improved molten metal flow characteristics, complicated shapes and reduced section thicknesses can be cast. And because of the improved surface finish, the need for fettling is decreased sometimes to nil. There also is a reduction in shot-blasting and elimination of joint line finish is often possible.

This process produces no fumes and smells, normally caused by binder decomposing. No mould shaking and vibrator noise are associated with it and consequently the working environment is much cleaner and quieter.

The method has so far been tested with various grades of cast iron. But it is applicable to various other metals.

With the revival of interest in Victoriana, there appears to be a rosy future for the process and its users since it may be possible to produce or reproduce some of the most intricate work at about one-tenth of the cost of the same item made by the traditional labour-intensive processes.

This does not mean that the V-process is limited to the decorative arts, far from it, since work has been done on casting the lids for Aga cookers by this method.

This pilot scheme is considered to be of great importance for Glynwed Foundry Division, since by injecting new technology and new products, increased output could be the result, attracting, and for that matter retaining, skilled labour in the foundry business throughout the Coalbrookdale area.

More from Glynwed Group Services, Headland House, New Coventry Road, Sheldon, Birmingham B26 3AL. 021 742 2366.

● COMPUTERS

Univac move in small machines

COINCIDENT with the long-expected European launch of the BC/7 small business computer (a year's business in the U.S. has already yielded sales of 1,000), Univac has set up a business systems marketing organisation specifically to sell and support it.

Regardless of its "big machine" image, the company now acknowledges the small business computer market to be "the fastest growing in the industry."

Considerable recruiting has been in progress—from companies specialising in such systems. This partly accounts for the BC/7's delayed appearance in Europe, but the main reason, states the company, was the need carefully to re-write the applications software to accommodate the different business/legal environment in Europe. For the time being sales effort will occur mainly in the U.K., France and Germany.

BC/7 has its origins in Acorn, a joint development with Decision Data in the U.S. originally intended for batch working. The new, interactive product is based on a pair of Intel 8080 chips.

It will not affect the company's recently acquired Varian mini line which is being aimed by Univac at areas such as networking and process control, steering clear of the small business market.

Application area for the machine is clear cut: payroll, invoicing, order entry, stock control, and general accounting — in most cases in companies about to install their first computer system.

The machine looks like, and is the size of a pedestal office desk; on the desk-top are 12-inch vdu; detached keyboard, drop-in diskette units, printer and a small extra display on which two lines of 16 characters can be shown relating to system control routines.

Main memory of the machine is expandable from 32 to 128k bytes in 16k increments and the bulk store is up to three diskettes, giving 3m. bytes.

A new high-level programming language developed by Univac, called Escort, is said to allow the user to make full use of the system without any previous programming experience. Data management requirements can be specified by a tutorial conversational technique. As the user gains experience, it is possible to by-pass the tutorial method and enter program statements directly, but the "tutor" can always be referred to if needed.

BC/7 also uses an adaptive software technique by which a user's special requirements are incorporated into an application program by an interactive question and answer method. Specifications, report headings, use of customer names in the master file and particular calculation methods are easily incorporated.

Printers are available to work at 125, 200, 250, 350 or 700 lines per minute and a cartridge magnetic tape sub-system is also offered.

A minimum BC/7 system, the model 600, with 32k of memory, diskette and a 200 line/min. printer costs £13,000. With all the options and six workstations this becomes £35,000 to £40,000.

Univac believes that the majority of customers for the machine will be small manufacturers and distributing organisations, probably employing up to 250 people and turning over between £¼m. and £7m. a year.

In any event it is laying considerable emphasis on being able to supply everything, believing that this sort of customer does not want to deal with three or four companies—for hardware, software, and servicing.

Intending, as it were, to underline the point, Univac says it has spent £14m. in arriving at the product and the organisation to market and support it. More on 01-965 0511.

● REPROGRAPHICS

Large copies from microfilm

BUILDERS of the world-beating AO, first machine to be capable of producing full-scale engineering drawings from microfilm, have come up with another world first—an A2 desk-top machine which has x30 or AO magnification abilities, plus three other sizes and a speed of reproduction which, on the face of it, appears to be about 2½ times faster than anything the opposition has put up to date.

Imtec Microfilm, a U.K. organisation based on the outskirts of London, has been a pioneer in reprographics for engineers and users who demand high quality reproduction for the past ten years or so. But its new machine marks a major change in the company's approach since, for the first time, it has been able to do its own market study and go ahead and build what its management judged was the market requirement, without calling in outside support.

The Imtec 2000 A2 machine is the outcome. In the company's view it is meeting something like 70 per cent. of the overall engineering requirements and because it embodies a novel beam folding and moving mirror advance on previous instruments, the developers have been able to use what is essentially narrow beam, high definition techniques in a unit not much larger than existing desk-top equipment.

In pre-marketing operations, it is understood that security organisations have already ordered a large number of these units. But in the meantime, the company management is confident that it will reach the £1m. sales mark in 12 months against 18 months for the big AO machine.

But the main characteristic of the new equipment is that it is so simple to use and service, always a hallmark of good engineering. Whether the price of around £3,000 will be a deterrent remains to be seen. For a unit of this degree of versatility, the price is arguably low.

Imtec on 01-204 8355.

● COMPONENTS

Multi-role compressor

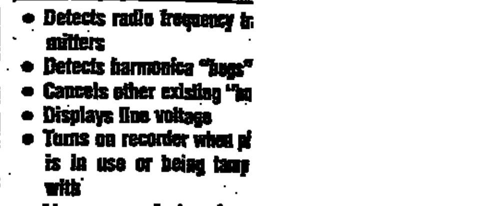
A RADICAL departure from conventional practice and a ... advance in gas compression technology is claimed for a 7 hp Denco Prestcold ... compressor, the first of a ... 30 hp range.

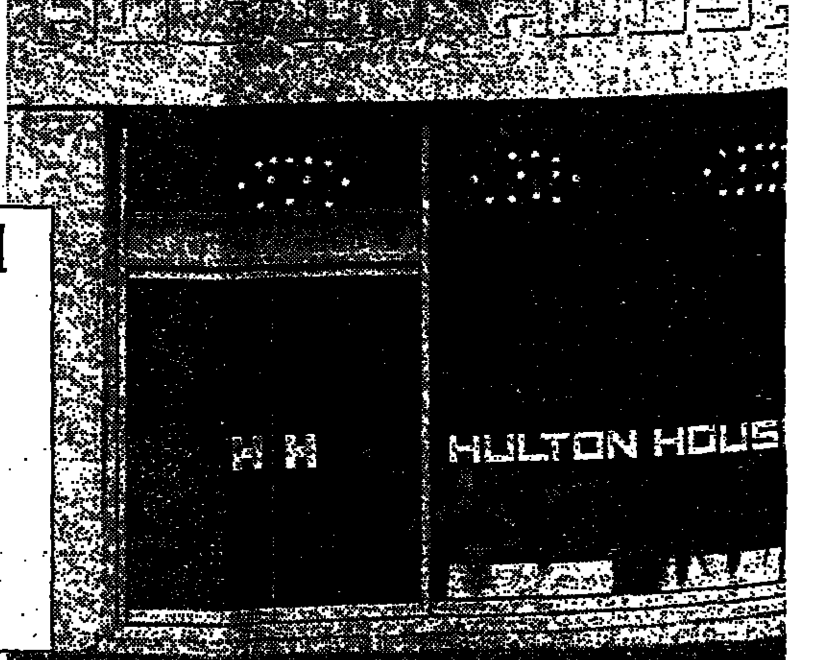
The aim has been to com... the advantages of the her... with those of the open ... pressor while avoiding the ... advantages of both. Among ... two most important advan... are avoidance of fouling ... ability to pump liquid.

The high volumetric ca... of the unit, coupled with ... ability to pump and to fu... as a gas motor as well, ... compressor is said to ope... new areas of application ... density refrigerants, exp... and closed gas cycles, and ... temperature heat pumps.

The new unit is on test ... several potential customer... cluding British Rail on ... advanced passenger train ... than £1m. has been spent ... Theale, Reading, plant, ... batch production has ... menced. The AGR series ... is known, will also be ma... Prestcold's plant in Glasg...

PETER CARTWR...





£2.6m. launch by Elida Gibbs

BY PAMELA JUDGE

ELIDA GIBBS, part of Unilever, is putting a total of £2.6m. behind the launch of its latest range of bathroom toiletries, Norsca. "Freshness" as a platform has been used successfully in Europe and will be reflected in the £1m.-plus TV and Press advertising devised by Lintas. The first TV ads, over eight weeks, will cost £550,000. Norsca was test-marketed in Yorkshire last year and Robert Field, brand manager, says that a similar performance nationally would represent a turnover of £9.5m. at rsp.

● THE ALLIANCE BUILDING Society has switched its £500,000 account from Ted Bates to Doyle Dane Bernbach by mutual agreement. The Alliance, the country's sixth largest building society, says a review of its long-term marketing plans, just completed, resulted in a decision to seek a new advertising approach.

● GREY ADVERTISING, which recently added on £1.5m. worth of new business by winning the Yellow Pages and Heron Motor Group accounts, has appointed a new creative director, John Wilson, from 1970 to 1974 creative director and then managing director of the KMP Partnership.

● IVER HOUSE WHISKY, produced at Airdrie in Scotland, is aiming for a bigger share of the U.S. market where it is currently the sixth biggest seller. Publicker Industries Inc., its U.S. parent, is spending $3m. on full-colour inserts in trade publications.

● POSTER PUBLICITY has acquired a minority interest in the recently-formed independent media-buying company, Bygraves, Bone and Associates.

● LYONS BAKERY is spending £1m. on the third phase of its Bargain Hunter consumer promotion in the cake market. National TV expenditure will be £500,000.

● IPC MAGAZINES reports a "memorable year for new business" during the financial year to March 31, 1978, when the group's titles attracted a record advertising spend of £37.4m. — £3.3m. ahead of target and 27 per cent. up on the previous year. While overall food advertising (per MEAL) rose 21 per cent. last year, says advertisement director Frank Farmer, IPC's women's magazine food advertising rose by 43 per cent.

● TRUST HOUSES FORTE has launched a £300,000 corporate campaign on Thames Television, Capital and LBC, and in selected national newspapers.

● SAAB (GT. BRITAIN) has confirmed that Brunning Advertising and Marketing will continue to service its main national advertising programme. In the 12 months to last September, Saab spent a total (MEAL-monitored) of £824,300.

● THE LONG-RUNNING "Inch war" gets under way again with Ryvita spending £300,000 on its latest TV campaign. Brand share of the crispbread market held by Ryvita in the four weeks to March 7 was 68 per cent.

● BILL TRAGOS, one of the four founding partners of TBWA, reports that international billing for 1977, the seventh year of its operation, were $77m. This year, it says, the agency will pass $100m.

Advertising's age of the extravaganza

IT IS INTERESTING, though not necessarily profitable, to reflect that the two U.K. advertising agencies currently leading the field on the creative and prize-winning fronts — namely Collett Dickenson Pearce and Saatchi and Saatchi Garland-Compton—are at one and the same time the two largest British and the two largest publicly quoted agencies in the land (writes Michael Thompson-Noel).

At any rate, they were totally to the fore at the London Television Advertising Awards this week, scooping in almost as many prizes as their rivals put together. Their dominance was so marked—CDP won the main prize with its EMI piccaninny commercial for the Supremes with Saatchi's closely in attendance with its Dunlop corporate ad—that one estranged creative soul described the evening as a "CDP-cum-Saatchi love-in."

Of course, others were involved, notably Boase Massimi Pollitt with its Cadbury Smash Martians and Doyle Dane Bernbach with its work for Heinz canned salads. But of the seven golds awarded, CDP won three and Saatchi's two, and both were loaded down with bronze and silver.

Are awards a good thing? Quite probably, though one was left to work out for oneself what the criteria of the evening might have been. According to one consultant: "The question Does it Sell? was deemed irrelevant in judging these ads. Sales clichés were out, even if they worked. It was originality and newness at any cost—preferably big-budget."

Not everyone thought so. John Webster, creative director of Boase Massimi and one of the judges, was happy with the general standard. "Over the past few years standards of production have improved enormously whereas ideas have suffered. This year, for a change, there were some very good ideas."

Jeremy Sinclair, creative director at Saatchi's, agrees with Webster. "There are production agencies and ideas agencies but the best of the lot combine the two. Standards this years were acceptably high."

Nonetheless, some suspicion remained that the winners this year owed their elevation more to production values and budget size than to strength of selling proposition. "The Supremes commercial was superbly well produced," said a leading independent. "But what was it doing? It was a catchpenny attempt to move a bunch of five- or ten-year-old tracks for EMI. As for the James Hunt/Eric and Ernie film, I doubt it sold a single pint of Texaco petrol. Personally, my business is about brands and emptying shelves and keeping factories employed. That's advertising."

According to Chris Sharpe of The Creative Business: "There is a style of advertising that reeks of prize-winning. It's like a box of candy, but they're all soft-centred. There are plenty of ideas but they come from the same drawer. I suspect that the clients' R and D is not really providing them with a selling idea on which to work."

One of the most highly-qualified referees in a situation like this is John Simmons of The Simmons Consultancy. He says: "TV commercials seem to be getting much more entertaining in a bid to keep ahead of what the consumer has been led to expect: ads are getting more beautiful, more expensive, more erotic—as with Berlei—and more funny. They are relying more on entertainment—on pleasing the audience rather than on selling to it.

"It's an age of extravagance, though there is always one agency that is more successful than Saatchi or CDP have yet become in terms of campaign longevity and client profitability over a long period of time, and that is Masius. Their greatest award is when the client increases his appropriation."

Main winners: **ITV Award:** Collett Dickenson Pearce/EMI, The Supremes (Vernon Howe Films). **Campaign Series Award, Gold:** Boase Massimi Pollitt Univas Cadbury Typhoo, Smash Potato (Brooks Fulford Cramer). **Gold Awards: Canned, frozen foods, etc.:** Doyle Dane Bernbach Heinz. Canned Salads (Park Village Productions). **Soft drinks:** CDP/Rawlings. Rawlings Ginger Ale (Brooks Fulford Cramer). **Auto products:** CDP/Texaco. James Hunt (The Alan Parker Film Company). **Consumer services:** Saatchi and Saatchi Garland-Compton Dunlop, Dunlop Corporate (Park Village Productions). **Public service advertising:** Saatchi and Saatchi Health Education Councils, Ageing Man (The Cotswold Management). **Entertainment:** CDP EMI. The Supremes. **Series:** BMP Cadbury Typhoo, Smash Potato.

Gold for CDP: two-thirds of the Supremes.

TV rates: no need for trauma

BY HARRY HENRY

INCREASES IN advertising rates, having over the past four years barely kept pace with increases in the Retail Prices Index, have consequently lagged well behind increases in the prices of most other manufacturing and distribution costs, although this has not prevented manufacturers and their advertising agencies combining in a continuous barrage of complaints about them with periodic fits of sabre-rattling.

Advertising is a business which generates a good deal of emotion, largely because of the way it is structured, and nowhere is this more manifest than in discussion of rates. There are few other industries in which company spokesmen feel it necessary to occupy the platforms at conferences and the columns of the trade Press with attacks on the pricing policies of their suppliers. Moreover, although the price increases in television and the Press have been broadly parallel, it is essentially around television that the hysteria revolves.

Part, at least, of the reason for this exceptional dominance of reason by emotion is the hyperseasonality of the television medium, combined with the fact that the supply of the commodity involved—commercial transmission time—is rigidly limited not by the commercial decisions of the suppliers but by statute, and that marginal costs of supply are zero.

One example of the food thus provided for emotion to feed on is the fact that, while the cost per minute of advertising delivered to the home in 1977 was 17.8 per cent. above that of 1976, the cost in the second quarter of 1977 was 37.7 per cent. above that in the first, and the cost in the fourth quarter 30.2 per cent. above that in the third. The complementary position — that costs in the first and third quarters were respectively 22.2 and 11.3 per cent. below those of their previous quarters—is the sort of thing that tends to be overlooked quite as much by the advertisement buyer confronted with seasonal increases as by the ordinary housewife shopping for tomatoes.

One major difficulty arising with television, which is less significant (or at least far less recognised) in the case of other media, is that while what the advertiser *wants* is commercial minutes delivered to the home, what he is actually *buying* is commercial minutes transmitted, and the relation between the two, though reasonably stable from year to year, is seasonally highly variable.

As can be seen from the top line of the table (average percentage variations by quarter, 1973-77), seasonal variation in the number of commercial minutes transmited is relatively slight—a reflection of the fact that the television network by and large sells virtually all of its available time, once due weight is given to audience size.

On the other hand, there are much larger seasonal variations in the cost per minute transmitted—15 per cent. down in the third quarter, for example, and 16 per cent. up in the fourth, so that the latter is 36 per cent. more expensive than the former —which indicates very clearly that in this field, price is a reflection of latent demand.

This is a concept somewhat unfamiliar to the marketing staffs of consumer goods industries and their advertising agencies, for whom output is usually expandable and price cost-determined, demand being a dependent of price rather than the other way about.

Of course, in the purchasing echelons of the companies concerned, particularly those involved with commodity markets, recognition that in conditions of restricted supply demand controls price is familiar enough, but then purchasing directors do not usually pontificate about advertising rates.

The situation is further complicated by the fact that the size of the audience for an average commercial is a function of the level of ITV viewing which, as can be seen, is markedly seasonal, being 13 per cent. up in the first quarter and 14 per cent. down in the third, 3 per cent. down in the second and 4 per cent. up in the fourth.

With the level of ITV viewing substantially higher in the first quarter of the year than in the fourth, the volume of commercial minutes transmitted being (inevitably) not subject to much seasonal variation, and with latent demand in what is in effect a supply-restricted commodity market pushing up costs per minute in the fourth quarter of the year to a level 38 per cent. above those of the first quarter, it is hardly surprising that total expenditure on TV in the fourth quarter should be 39 per cent. above that in the first quarter (and, indeed, 42 per cent. above the third quarter).

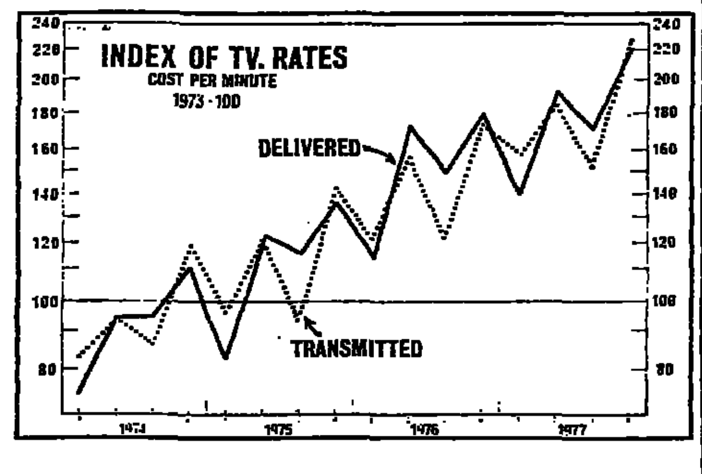
The question that may be asked at this point (though not, without much more investigation, definitively answered) is how far this seasonality is inevitable— that is to say, how far demand need be so concentrated in the fourth quarter when commercial time can be bought so much more cheaply in the first and third quarters.

Of course, advertising is only one of the components of the marketing mix, and TV only one of the components of advertising, so that to link the timing of marketing plans to periods of cheap TV might be to have the tail wagging the dog.

On the other hand, expenditure in the largest advertising medium, the Press, shows nothing like the same degree of seasonal variation as does TV, and the reality of the retail sales statistics indicates that for the majority of consumer goods, seasonality, while present, is by no means so dominant.

It is possible that if advertisers and their agencies took a harder look at the seasonal distribution of their television expenditure they would be less subject to paranoic trauma every six months or so.

Harry Henry is Visiting Professor of Marketing Communications at the Cranfield School of Management.



AVERAGE PERCENTAGE VARIATION BY QUARTERS, 1973-1977

	1st	2nd	3rd	4th
Commercial minutes transmitted	− 4	−2	+ 2	+ 4
Cost per minute transmitted	− 8	+7	−15	+16
Level of ITV viewing	+13	−3	−14	+ 4
Commercial minutes delivered	+ 8	−5	−12	+ 9
Cost per minute delivered	−19	+9	− 2	+12
Total expenditure on TV	−12	+4	−14	+22
Total expenditure on Press media	− 7	+5	− 3	+ 5
Retail sales	− 7	−4	− 3	+14

Calculated from JICTAR data

'Threat to freedom'

MR. HEDLEY GREENBOROUGH, president of the Incorporated Society of British Advertisers, said yesterday that he agreed in principle with the idea of an EEC directive against misleading advertising, but emphasised that sanctions and methods of enforcement must be a matter for individual member States.

He was speaking at the opening of the 6th World Industrial Advertising Congress in London, at which he attacked the current proposed EEC directive on misleading and unfair advertising, warning that if approved as drafted it would affect industrial advertising as much as it would threaten consumer advertising. It posed a very real threat to the freedom of all companies to advertise their products, said Mr. Greenborough.

He was particularly concerned with the article in the draft directive which sought to imply not only that it would be an offence if an advertisement was misleading but also if it was *potentially* misleading; and second, the proposal to shift the burden of proof to the advertiser with the introduction of penalty corrective advertisements.

The ISBA president described the proposed directive as an example of "harmonisation for harmonisation's sake," and said the only two justifications put forward for introducing the proposed legislation reflected a misunderstanding of the role of advertising in helping achieve increased sales. One was that different laws on advertising may be confusing to consumers in different member States; the second was the belief that different campaigns run to comply with different laws meant extra expense and thus adversely affected an advertiser's competitiveness.

LOMBARD

Carter and the African angels

BY JOE ROGALY

PRESIDENT CARTER'S pronouncements on Africa suffer from two major flaws. First, they are morally inconsistent. Second, they assume an American willingness to use power, at a time when that willingness is manifestly absent.

The moral inconsistency jars because Mr. Carter began his presidency with stirring talk about respect for human dignity *and freedom*. Now he and his colleagues are promoting the cause of the South West African People's Organisation (Swapo) without apparently paying much attention to the fact that it has persuaded friendly states like Zambia and Tanzania to keep its own internal dissidents in prison.

Decent interval

Most newly independent states wait until a decent interval after the outgoing Governor-General's boat has disappeared over the horizon before putting the opposition in jail. Not Swapo. Opponents of its existing leadership have been taken into "protective custody" by both President Kaunda and President Nyerere, thus providing the aspirant future government of Namibia with the distinction of being able to deny human freedom *before* taking power.

In Rhodesia the hopefuls are the well-known quartet of Messrs. Nkomo and Mugabe, Bishop Muzorewa and the Rev. Sithole. At one time or another each of these four has represented a perfectly respectable cause, and one with which the U.S. certainly ought to associate itself—that is the promotion of universal suffrage for the people of Zimbabwe (currently Rhodesia). All four have opposed the white minority rule of the illegal regime headed by Mr. Ian Smith, as would any honest Rhodesian or Zimbabwean democrat.

Mr. Carter's pronouncements do not stop at this point, however. What he seems to be saying is that Messrs. Nkomo and Mugabe, who have the Russians' guns, are superior democrats to Bishop Muzorewa and the Rev. Sithole, who claim to have the votes and now may turn out to have the white Rhodesians' guns. Since the latter two appear to be more willing to face the electorate than the former two the "human rights" President might be expected to give them some credit, but in fact he looks very much as if he is leaning the other way. The moral purity of this is not self-evident.

What may be worse, from the point of view of American influence in other parts of the globe, is the series of statements that could only have meaning if America were prepared to use its military strength—statements made at a time when the whole world believes that it would be impossible for President Carter to send troops to back up what he says.

In the horn of Africa, for example, the Cuban soldiers and Soviet support pour in, and the Carter Administration says how distressing it all is—but the only danger is that official U.S. spokesmen might soon wring the skin off their hands. Modern Africa has been occupied, or a power vacuum, for more than a century now, and no power has been able to keep another out by the use of mere empty protestation. This is known in the Soviet Union but it appears to have been forgotten in Washington.

Down south it is particularly hard to see what the Americans are up to, offering conferences while the Russians offer rocket launchers. The Carter Administration started with the disadvantage that its predecessors had usually failed to see the writing on the wall, so that the West became associated in African minds with the white regimes while the Communists could play it long, winning converts among the blacks.

Morally, it has been right to support African nationalism against white minority rule—but it is far too late for Mr. Carter's Administration to try to catch up by the use of mere words. The Russians, Cubans and even the Chinese outbid the Americans with more solid support. The West's main hope, and it is not an absolutely forlorn one, is that once the nationalists are in power they will turn "neutral" and decline to become puppets of those who assisted them during the "struggle"

Inconsistent

Perhaps this is what the present American Administration is banking on. It is a sad commentary on the present prospect for Western democracy in Africa that such is the only straw left to clutch at. What is so difficult to grasp, however, is how anyone—even President Carter—nay, even Dr. Owen—can imagine that true freedom can be cultivated in that turbulent continent by morally inconsistent policies, or insupportable protestations. It may be too late to salvage anything in Rhodesia. It may not be too late to learn the sorry lesson—that actions speak louder than words—in devising a coherent programme of action to back up the speeches on South Africa.

Yet even there the day may come when it will be impossible to be on the side of the angels, for none will be left.

Tourism at t'Mill

BY RHYS DAVID

WITH MANCHESTER now firmly designated as the main U.K. international airport outside London, the next few years are likely to see a lot of effort put into persuading visiting tourists, particularly those from the U.S., to start their visit in the North West and work their way down to London through Stratford, rather than all converging as at present on Heathrow.

If this strategy is successful one of the places that will seek to capture their attention will be Quarry Bank Mill at Styal, a remarkable industrial village set in the Cheshire countryside, a few miles from the airport, and untouched for the best part of two centuries by modern developments.

In June the mill, a vast building hidden away among trees in the Bollin valley in the midst of 250 acres of woodland, is due to open on a limited scale, developing later as a centre with facilities not only for tourists but for schoolchildren on educational visits, for academics interested in serious study, for local businessmen and perhaps even the concert-going public.

It represents one of the most important additions to recreational amenities under way in the north of England and a unique opportunity to show early industrial life as it was.

There are other textile museums in the area, but at Styal it will be possible to see as well the exact surroundings in which the mill workers spent their lives outside work.

The mill itself was built in the closing years of the 18th century by Samuel Greg, a young man, originally from Belfast, who had joined his uncle in Manchester. The choice of Styal was determined largely by the availability of water but because of its remoteness from centres of population it was necessary to bring in workers from surrounding areas and house them. Inspired in equal measure by benevolence and self-interest Greg constructed a whole village, and it is the survival of this combined with the fine mill building itself which gives Styal its unique character.

The reason for its survival lies in the largely unspectacular performances of the Greg business during its long history and its independence of other groupings. It reached a peak of around 450 employees in the mid-19th century when it boasted 11,000 spindles and more than 300 looms, and it survived successive cotton booms and depressions to the mid-1950s when it was producing very coarse woven fabrics for sacks and similar products.

In the 19th century mills ceased to be built in country areas, being located instead in the new industrial towns where they could take advantage of better transport and improved methods of power generation, as well as a more readily available supply of labour. The industrialisation of Styal which otherwise might have taken place did not occur and with the land also remaining in Greg family hands the subsequent development of the village of Styal itself has all been outside the Quarry Bank Mill estate.

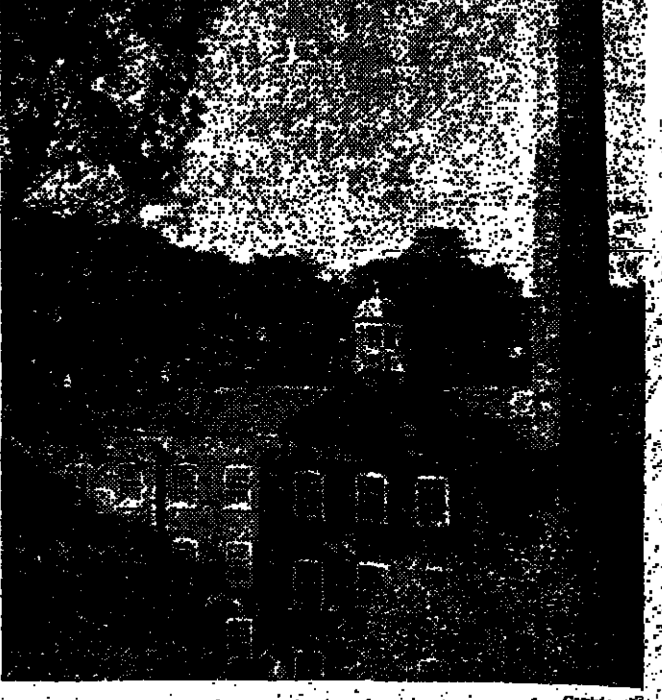
The estate has been in the hands of the National Trust since 1939 when it was presented as a gift by the Greg family, and much of the past 25 years have been spent considering how best to utilise an asset of such enormous — if rather daunting—potential. Apart from the mill there are several score tenanted houses, some dating back before the first Greg properties, two chapels — one Unitarian, the calling of the first Mrs. Greg, and one Methodist—a farm, a general store, and a primary school, run by Cheshire County Council, which also manages the surrounding land as a country park. A short distance away from the village is the Apprentice House where 100 or more youths from 10 up to the age of 21 from poor houses in the area and from as far afield as Liverpool and London were housed.

The mill itself, a vast building five storeys high and 160 feet long has for much of the past 20 years been let out to small engineering and other companies but, with public interest in industrial archaeology and history increasing, Styal was seen several years ago as offering an ideal setting for explaining the early economic, social and industrial features of the North-West.

The task of renovating the fabric of the mill has now been largely completed by the National Trust at a cost of £300,000 and another local trust has been set up, part of the task of which is to raise a further £500,000 towards the cost of equipping the mill with facilities for the public. Support has already been given by the county council and by the Government, which is providing almost £200,000 under the Job Creation Programme.

The way in which the mill itself will be used to provide an interpretation of the period to visitors is now in the hands of the National Trust's historical advisers but some basic ideas have already been discussed. There are likely to be displays featuring the use of child power and of water power as well as accounts of the Greg family itself. It is hoped one of the turbines used in the mill can again be linked up with the river and used to power looms, and it is also hoped that by using machinery collected from a variety of sources it will be possible to mount a display of all the textile manufacturing processes employed at the mill in its heyday.

The amount of space available will also make it possible to include within the building a lecture theatre, possibly doubling as a concert room, and other rooms for hire to local organisations and businessmen for conferences, seminars and entertaining. Use of the mill as a museum for some parts of the textile industry is also possible.



Country Life

Styal—the mill itself

Well forward Vaigly Great can win to-day's Spring Cup

RACING

BY DOMINIC WIGAN

VAIGLY GREAT has not had a run recently, but could still win to-day's Doncaster Spring Cup.

Michael Stoute's lightly raced Great Nephew colt, who easily beat a backward Formidable at Goodwood's July meeting, is well *forward*. Judged on his work-out at Newmarket on Saturday, he is sure to go close.

I hope to see him defy 9st 4lbs over to-day's seven furlongs before going on to better things, including a possible tilt or two at Pattern prizes. Half an hour after the Spring Handicap, it will be fascinating to see if Manor Farm Boy, easy winner of Haydock's £4,000 Field Marshall Stakes on Tuesday, can win another worthwhile prize—the six-furlong Doncaster Exhibition Centre Stakes.

Judged on the manner of his win at the hands of Lester Piggott and the fact that he would not reappear so soon without that shrewd judge's encouragement, it is hard to oppose Bill O'Gorman's colt.

Few trainers have their team so well forward as Ian Balding and it seems probable that Mr. Paul Mellon's Night Watch, a winner already this season, can win the Will Scott Handicap.

Balding continues to be more than satisfied with the progress of his Lincoln favourite, Fair Season, and I know that few at Kingsclere can visualise this Silly Season colt being beaten.

Clipped by a point to 6-1 with Coral and Hill, Fair Season (a 7-1 chance elsewhere) appears to represent fine each-way value at one-quarter the odds a place for first, second, third and fourth.

The Horserace Betting Levy Board has determined that the contribution payable by the Horserace Totalisator Board in respect of the 17th levy period 1978-79 shall be: Tote Bookmakers (on course cash), 1 per cent. of turnover; Pool Betting, 0.25 per cent. of turnover; and Tote Bookmakers (SP off course cash, and on and off course credit), 1.12 per cent.

It is estimated that the Tote Board's contribution to the levy *in 1978-79 will be more than* £545,000, a 60 per cent. increase on its estimated contribution in 1977-78.

Mr. John Thorne has become at 51 the oldest winner of the Bolinger Jeroboam National Hunt jockey of the month award.

His feat of riding Spartan Missile without irons for the last mile to win the Whisky Haig Foxhunter Chase at Liverpool won him a unanimous vote.

DONCASTER
2.00—Welsh Moon
2.30—Abdu
3.00—Vaigly Great***
3.30—Manor Farm Boy**
4.00—Mount Pelle
4.30—Night Watch

WORCESTER
2.15—Super Travel
6.15—The Bishop*

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40 a.m. Open University. 10.45 For Schools, Colleges. 12.35 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Chigley. 3.00 Children's Wardrobe. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 a.m.). 4.20 Heads and Tails. 4.35 The Mole and the Telephone. 4.40 Ten, Nine, Eight. 5.05 John Craven's Newsround. 5.10 *Blue Peter*.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.50 Young Musician of the Year.
7.20 Top of the Pops.
8.00 Wildlife on One.
8.30 Happy Ever After.
9.00 News.
9.25 Ronnie Corbett's Thursday Special.
10.10 The Best in the Ballroom: 25th Anniversary of the Carl-Alan Awards.
10.45 To-night.
11.25 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. Mr. Benn. 4.40 Crystal Tipps and Alistair. 4.45-5.10 Tren Sgrech. 5.55-6.20 Wales To-day. 6.50-7.20 Heddiw. 8.30-9.00 Young Musician of the Year. 11.25 Conference Report from the Welsh Federation of British Industry. 11.40 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 8.30-9.00 Current Account. 11.25 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 10.45 The Hong Kong Beat. 11.15 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
4.55 p.m. Open University.
7.00 News on 2 Headlines.
7.05 Choices for To-morrow.
7.30 Newsday.
8.05 Gardeners' World.
8.30 Living in the Past.
9.00 Law and Order.
10.20 Table Tennis: Norwich Union Trophy.
10.50 Late News on 2.
11.00 Men of Ideas.
11.45 Closedown: Michael Kilgarriff reads "Sandpiper," by Elizabeth Bishop.

LONDON

9.30 a.m. Red Arrows. 10.00 Animated Classics. 10.45 Canada—Five Portraits. 11.35 Spiderman. 12.00 Charlie's Climbing Tree. 12.10 p.m. Daisy, Daisy. 12.30 Make It Count. 1.00 News. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Racing from Doncaster. 3.50 The Sullivans. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs.
5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 Charlie's Angels.
8.00 Get Some In.
8.30 Armchair Thriller.
9.00 What's On Next.
9.30 This Week.
10.00 News.
10.30 Mavis.
11.00 Drive-In.
11.30 Elaine—The Singer of the Song.
12.00 What the Papers Say.
12.25 a.m. Close: Heather Emmanuel reads teachings and sayings of Buddha.

All IBA regions as London except at the following times:

ANGLIA

9.30 a.m. Canada Five Portraits. 10.25 Manfred. 10.40 Hanna Barbera Special. 11.30 Winning With Wilkie. 1.25 p.m. Anglia News. 2.00 Women Only. 4.20 Dynomutt, the Dog Wonder. 4.45 The Adventures of Black Beauty. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Enterprise. 7.30 The Six Million Dollar Man. 10.30 An Audience with Jasper Carrot. 11.00 Police Woman. 12.00 Night Call. 12.30 a.m. The Living Word.

ATV

10.25 a.m. Cat in the Hat. 10.55 The London Rock and Roll Show. 11.50 Professor Balthazar. 1.20 p.m. ATV Newsdesk. 4.20 Tarzan. 5.15 Happy Days. 6.00 ATV Today. 7.00 *Emmerdale Farm*. 7.30 Challenge of the Sexes. 10.30 The 50th Academy Awards. 11.30 Gardening Today.

BORDER

9.40 a.m. Clue Club. 10.00 Greenwich—A Peoples' Heritage. 10.30 Training for Life. 10.55 Tell Me Why? 11.20 Westway. 11.45 Oscar. †1.20 p.m. Border News. 5.15 Lassie. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Look Who's Talking: Derek Batey talks to Roy Ward Dickson. 11.00 Police Woman. †11.55 Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 6.00 p.m. Channel Late News. 6.10 Elephant Boy. 7.00 The Six Million Dollar Man. 10.28 Channel Late News. 10.32 In Search of . . . Martians. 11.00 TV Movie: "The Girl Who Knew Too Much." 12.40 a.m. News and Weather in French.

GRAMPIAN

9.55 a.m. First Thing. 10.00 Tandarra. 10.55 Tell Me Why. 11.20 Westway. 11.45 *Oscar and the Great Wooferoo*. 1.20 p.m. Grampian News Headlines. 6.00 Grampian Today. 10.30 Cover to Cover. 11.00 Reflections. 11.05 Baretta. 12.05 a.m. Stars on Ice.

GRANADA

9.30 a.m. The Lone Ranger Show. 9.50 Last of the Wild. 10.15 Cartoon. 10.20 Holiday Matinee—"Finders Keepers" starring Cliff Richard. 11.50 Kathy's Quiz. 1.20 p.m. This Is Your Right. 5.10 This Is Your Right (second chance to see Lord Winstanley's programme). 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Six Million Dollar Man. 10.30 What's On. 11.00 What The Papers Say. †11.20 The Untouchables.

HTV

10.00 a.m. Sesame Street. 10.55 Tell Me Why. 11.20 Hogarth. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 3.50 Beryl's Lot. 4.20 Return to the Planet of the Apes. 4.45 Breaktime. 5.20 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 Best in the West. 7.05 Six Fools and a Dancer. 7.35 Danger in Paradise. †10.35 Ten Years On—1970. Freddie Jones in "The Emergence of Anthony Purdy, Esq., Farmer's Labourer." 11.20 Dan August.

HTV Cymru/Wales: As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wailbethna. 6.00-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

9.50 a.m. Ride to a Spanish Virgin. 10.25 The Stationary Ark. 10.55 Tell Me Why. 11.20 Westway. 11.45 Oscar and the Great Wooferoo. 1.25 p.m. News and Road Report. 2.00 Women Only. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Emmerdale Farm. 7.30 Thingummyjig. 10.30 The Wild, Wild World of Animals. 11.00 Darts in Concert. 11.30 Late Call. 11.35 Fireside Theatre.

SOUTHERN

9.05 a.m. Stationary Ark. 10.00 "Apache Uprising" starring Rory Calhoun. 11.30 *Winning With Wilkie*. 1.20 Southern News. 2.00 Women Only. 4.20 Dynomutt the Dog Wonder. 4.45 Lost Islands. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.30 Bless This House. 11.00 Your Man at the Foreign Office. 11.30 Southern News Extra. 11.40 What the Papers Say. 12.00 Stars on Ice.

TYNE TEES

9.25 a.m. The Good Word followed by North East News Headlines. 9.30 To The Top. 10.00 Superspy. 10.55 The Stationary Ark. 11.20 Westway. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 4.20 Clue Club. 4.45 The Little House on the Prairie. 5.50 Northern Life. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Double Top. 11.10 Rich Man, Poor Man. 12.10 a.m. Epilogue.

ULSTER

1.20 a.m. Tree Top Tales. 10.30 The Secret Lives of Waldo Kitty. 10.55 Tell Me Why. 11.20 Westway. 11.45 Oscar. 1.30 p.m. *Lunchtime*. 4.18 *Ulster News Headlines*. 4.20 Dynomutt the Dog Wonder. 4.45 Little House on the Prairie. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 7.00 Emmerdale Farm. 6.30 Bionic Woman. 10.30 Counterpoint. 11.00 Hogan's Heroes. 11.30 Wedding Day. 12.00 Bedtime.

WESTWARD

10.10 a.m. Once Upon a Circus. 10.55 Tell Me Why. 11.20 Westway. 11.45 Oscar. 12.27 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 7.00 The Six Million Dollar Man. 10.28 Westward Late News. 10.30 Westward Report. 11.00 TV Movie: "The Girl Who Knew Too Much." 12.40 a.m. Faith For Life.

YORKSHIRE

9.30 a.m. Canada—Five Portraits. 10.25 The Undersea Adventures of Captain Nemo. 10.30 Showcase. 11.00 La Gastronomie. 11.30 The Electric Theatre Show. 1.20 p.m. Calendar News. 4.20 Lassie. 4.45 Nobody's House. 5.15 Survival. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Calendar Profile. 11.00 Danger in Paradise.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.31 Dave Lee Travis including 5.30 Newsbeat. 7.00 Country Club (S) (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 a.m. As Radio 2. VHF Radios 1 and 2—5.00 a.m. With Radio 2, including 1.55 p.m. Good Listening. 10.00 With Radio 1. 12.00-2.02 a.m. With Radio 2.

RADIO 2 1,500m and VHF

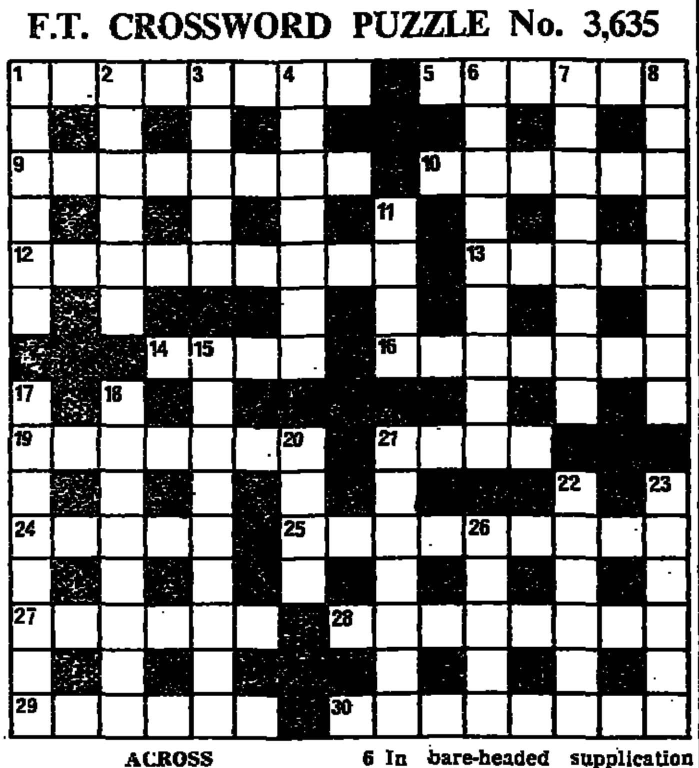
5.00 a.m. News Summary. 5.02 Ray Moore with The Early Show (S). 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Funny You Should Ask. 10.30 Star Sound Extra. 11.02 Golf: U.S. Masters Tournament (report). 11.05 Brian Matthew introduces Round Midnight, including 12.00 News and Golf—U.S. Masters Tournament (further news). 2.00-2.02 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

RADIO 4

F.T. CROSSWORD PUZZLE No. 3,635



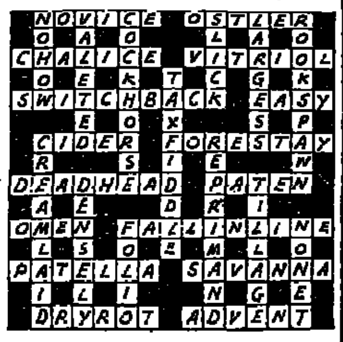
ACROSS

1 Intend to act with moderate excitement (4, 2, 2)
5 Drink for a hunter (6)
9 Chickens out of courses round the Cape (8)
10 Shows on the road a long time (6)
12 Lends beat somehow to West Indian music (5, 4)
13 Cuts off the prisons (5)
14 The bird I get twice (4)
16 Anyhow let's eat in Washington (7)
19 Low clique making fast the ship (7)
21 The animal's outside—get out of sight (4)
24 Jargon is obvious in this language (5)
25 Strikers ready for diabolical employment (4, 5)
27 Ice garden ? (6)
28 Bearing that was not promised for Miss Bell's wedding (8)
29 Upstairs, downstairs, she's neither here nor there (6)
30 There's love in it for Pansy (8)

DOWN

1 Annoy the majority including the French (6)
2 Early English points of view (6)
3 The tax is about right—but there is a catch in it (5)
4 Refusals to make bargains about Northern Ireland (7)
6 In bare-headed supplication (3, 2, 4)
7 Shrewdness demands that the officers came up to town (8)
8 One holding out against sapper and nurse (8)
11 Seen inside senatorial circles as a fateful date (4)
15 *Fetch some fluff and humble* (5, 4)
17 Smith has a great success by way of a change (5-3)
18 Come to blows with a party over Sussex town (2, 6)
20 Fluent learner in the Rock (4)
21 Country fabric (7)
22 New recruits in a cinema shot (6)
23 Value—for a jenny ? (6)
26 Bret has a name for courage, we hear (5)

Solution to Puzzle No. 3,634



ENTERTAINMENT GUIDE

C.C.—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

THEATRES

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Mats. Wed. & Sat. 3.00. BRUCE FORSYTH in LESLIE BRICUSSE and ANTHONY NEWLEY'S TRAVELLING MUSIC SHOW with Derek Griffiths. Directed by BURT SHEVELOVE.

SHAW THEATRE. 01-388 ... CHICKEN SOUP WITH BARLEY by Arnold Wesker. Opens Tonight 7.00. Sub. Evgs. 7...

CINEMAS

Record Review

Four pianists

by DOMINIC GILL

Liszt: Sonata in B minor. **Fauré:** Impromptu no.5 op.102, Nocturne no.13 op.119. Vladimir Horowitz. RCA RL12548 (£3.99)
Beethoven: Piano sonata op.106 "Hammerklavier." Maurizio Pollini. DG 2530 869 (£4.35) Cassette 3300 869 (£4.50)
Schumann: Etudes symphoniques op.13, Etudes posthumes, Papillons op.2. Murray Perahia. CBS 76635 (£4.29) Cassette 40-76635 (£4.49)
Chopin: 24 Preludes op.28. Martha Argerich. DG 2530 721 (£4.35) Cassette 3300721 (£4.50)

On this page last year I found Horowitz's new record of the Skryabin fifth sonata (in spite of a rather curious technical sound-quality) one of his most magical Skryabin performances, and in many ways superior to any he had previously recorded. To be sure, it is one of the hallmarks of the great artist that each new production is his newest "best." It was difficult all the same this year to conceive of Horowitz returning to the recording studio at the age of 73 to play the Liszt B minor sonata, at once not merely to improve on, but actually to revitalise the famous London recording of 1932—a quintessential Horowitz performance, brass-burnished, etched in fire.

But that is what he has done precisely. In the new account there may be a volt or two less of manic electricity; but the current, in the main, has been refined, not calmed. There is greater depth of colouring, richness of subtle detail and pointing: the movement is broader, at once grander and more intimate—without any loss of invigorating charge. Invigorating above all to hear a Liszt performance (how can they be so rare?) which takes account of the composer's every precise instruction: each chord and inner voice exactly weighted, each gesture minutely (but naturally) observed. Horowitz's treatment of the first two pages alone is worth an essay: but the playing, deeply poetical, brilliantly exciting, needs no evegesis. There is less retouching than usual: the few smudges and slipped notes at moments of stress, recalling the early days of unretouched 78's, only serve to heighten the tension. For contrast, two short Fauré pieces are also included: a luminous ripple of an Impromptu from op.102, and a marvellous account, powerfully reserved, of the austere B minor Nocturne, Fauré's last piano work.

*

So much is right with Pollini's *Hammerklavier* that it seems almost ungrateful to look for flaws. The piano sound is magnificent: the technique, naturally, impeccable: the grip of the music commanding in its clarity. He chooses just the right tempo for the first movement: a real allegro, not rushed, but without any hint of *maestoso*; and shapes the music with immaculate articulation, poise and force. It is a masterly exposition, superbly polished, choice in every detail—and yet curiously without strain, by which I mean tautness, tempered spring, high pitch of musical tension. The famous opening leap from the bass B flat to the first chord, and its subsequent repetitions, are clearly divided for accuracy and ease between the hands—the safe short-cut which invariably slackens the dramatic pitch (and cuts the vital, fractional pause, powerful generator, that occurs between the two notes when they are played by the left hand alone).

Pollini gives the Adagio sostenuto, deep heart of the sonata, and its rapt, still centre, with the greatest tendernes and simplicity—and yet again without some element difficult to define, the thread of crucial dramatic awareness, sense of spiritual culmination, of a long journey passed. But there are very subjective reservations, as awkward to define as justify—and very much in the margin of what is after all a tremendous achievement by a pianist of the first rank. The fugue is no less impressive, steered with unerring purpose, without a hitch, or a blur, or a faltering step. Flawless DG sound.

*

Perahia is a smaller-scale pianist than Pollini, and weaves a more delicate, impulsive web. His Schumann *Symphonic Studies* are a fascinating sequence, alive with colour and with quick, personal comment, leaping in and out of focus like fish in a stream. The performance is full of marvellous detail: the lovely mesh of staccato-spiccato in the third Etude; the light, resilient bounce of the fourth, all its important quaver-rest breathing-spaces intact; the buoyant French-overture rhythm of the eighth; the ninth and tenth delivered with muscle but never heaviness, brilliantly *détachés*.

The five rejected variations—"rejected" by Schumann for reasons, never entirely clear, of formal structure only—are restored by some pianists (notably Richter) to the main body of the *Etudes*. But they also make a fine suite, as Perahia plays them, separately after the main set. No record of the *Etudes*, in any case, should be without them: rejected, but infinitely memorable, pearls. The recital is rounded with an excellent, deftly coloured account of Papillons op. 2. The sound-quality is good, close and warm—though there are one or two distracting pre-echoes, and a regrettably abrupt cut of atmosphere at the end of the last of the *Etudes posthumes*.

*

Last year Pollini and Perahia both made recorded versions, each in their different ways quite exceptional, of the Chopin Preludes. Martha Argerich's set, following a little while later, is a worthy companion: more overtly "expressive" in manner than Pollini, more restless and volatile than Perahia, but worked with entire comparable originality and force, very exciting, perhaps the most impressive disc that Miss Argerich has yet made. If Pollini's is the version to play to your friends, and Perahia's the one to take to your desert island, then Argerich's is the one to play when you are down and blue. It is quite simply — or rather, complexly—a staggering tour de force: from the dark, glowing embers of the A minor Prelude, to the *leggiero* whirlwind of the G major, exquisitely controlled. The contrast between Pollini and Argerich is nowhere more vividly marked than in the last, D minor Prelude: on the one hand, a supremely refined and aristocratic consummation; on the other, sudden and violent, the snap of a rifle deadly aimed.

Theatre Upstairs

Bleak House

That enterprising group of yarn-spinners, Shared Experience, have turned their attention from the Arabian Knights to Dickens's panoramic masterpiece. The attempts to compress 19 fleshy instalments into four full-length plays performed by only seven actors (there are about 100 characters in the novel) may sound as sensible an idea as unpicking the Bayeux tapestry to make a few samplers. But the first helping is an exemplary exercise in unfussy narrative theatre, bursting with vivacity and charm.

My general reservations have really to do with the ghetto studio theatre nature of the work and the disappointment at the quality of the ensemble work when it comes to offstage sound effects and concerted action. There is nothing new or really experimental along the lines achieved by the great American physical groups of the 60s such as La Mama or the Open Theatre. One notices this more with Dickens than with the Arabian Knights, for the narrative line is not sustained in organised bursts but stretched to incorporate the gradual, expressionistic way in which the story is unravelled.

But as the evening wore on, I found myself warming accumulatively to actors carrying the burden of narrative information on the backs of their multitudinous impersonations. The Dickensian sequence of events and changes of scene is reverentially adhered to; we are first among the Law Courts where the interminable suit of *Jarndyce and Jarndyce* has become a standing joke both in the Court of Chancery itself and in the teeming low-life without. We travel to the Dedlocks' country seat in Lincolnshire with a movement of chairs and one location follows another with startling economy.

Dickensian socialist wrath at the incompetence of the law, the hypocrisy of professional philanthropists and the injustice of appalling poverty is admirably maintained as the naive, vaguely priggish Esther Summerson (Eliza Hunt) and her companions Ada Clare (Pam Ferris) and Richard Carstone (John Dicks) enter wide-eyed upon various closed worlds of patrician indifference, legalistic bumbling and despair among the lower disenfranchised orders.

Trevor Humphries

Jonathan Hackett, James Smith, Pam Ferris, Holly Wilson and John Dicks

The wonderful array of characters has so far included Mrs. Pardiggle and her posse of recalcitrantly charitable offspring who, in one happy scene of elision, are transformed into the inhabitants of a brickmaker's hovel; the languid Sir Leicester Dedlock (the brilliantly precise John Dicks again); the sepulchral Tulkinghorn (James Smith); the unfortunate, illiterate street-cleaner Jo (pugnacious little Christopher Ryan) who proves a key witness in the investigation; and the resentful French maid, Hortense (the voluptuous Holly Wilson). Still to come are, among others, the Smallweeds and the detective Bagnet. To them, and the rest, I shall happily return to-morrow.

MICHAEL COVENEY

Covent Garden

The Firebird

by CLEMENT CRISP

Leonard Burt

Anthony Dowell and Derek Rencher in "The Firebird"

There is a perverse kind of fun to be obtained from the juxtaposition of *The Firebird* and *Song of the Earth*, as Tuesday night's bill at the Opera House showed. *Firebird*, with enough sets and costumes, serried ranks of monsters, kikimoras and bolibotchkis to outfit several pantomimes and a couple of nightmares, peters choreographically out after the first scene into *tableaux* just about *vivants*.

Song of the Earth, with no sets or costumes to speak of, and one-fifth of the cast, moves in beauty and dignity to its miraculous last movement, which is one of the greatest asser-ons about the majesty of dancing.

Not that I am being sniffy about *Firebird*, or not more than this odd survivor of the second Diaghilev *Saison Russe* merits. It has lasted first of all on its score, which is still the very stuff of magic. It has lasted, too, as a fairy-tale spectacle for a sophisticated audience prepared to be beguiled by its quaintnesses: Derek Rencher's Kastchey, bloated and nail-rattling, is well worth seeing.

It can also last if the Firebird herself is both imperious and beguiling: I found Ann Jenner somewhat dry in style on Tuesday, though attractively light in her soaring leaps. Anthony Dowell as Ivan trod through Kastchey's enchanted realm with the proper combination of princely dignity and peasant charm: but in matters of dancing we had to wait until he appeared the Messenger in *Song of the Earth* to see him at his best.

Song, with Monica Mason and David Wall as the other leads, remains one of the great acts of dance imagination of our time. It is the kind of ballet his admirers think that Bejart makes, but MacMillan has created a work that really treats most of the serious matters of human experience without cheapening or minimising them. It was given a sound performance on Tuesday. Monica Mason was serious, dedicated as the Woman, and quite splendid in the last song's duet with David Wall, no less fine as the Man: Dowell was calm, inevitable as the Messenger. They all did honour to this amazing work of art, while, among the other performers, Wayne Eagling was ideal in style. The black-outs at the end of each song need reconsidering; the lighting in Kastchey's garden for the dance of the Princesses was brighter than the noonday sun. The absence of one set of wings in *Firebird's* set is also to be regretted.

Country Cousin, King's Road

Charles Pierce

by ANTONY THORNCROFT

Charles Pierce is pure Country Cousin—an American drag performer who impersonates such beloved fantasies of the gay world as Mae West and Carol Channing. Such is his power of delivery, and confidence in his tight little black dress, that I found myself laughing along quite happily until I realised that I hardly understood any of the jokes.

But just as Chinese opera and Japanese wrestling can hold the attention for a while despite being incomprehensible so Charles Pierce can be half enjoyed through the hysteria of others. And certainly the laughter blew down the corridor-shaped Country Cousin like a gale in a wind tunnel. Pierce even had a way with the rising telephone calls from the minicab firm in the room below which has brought low so many previous performers—he just shrieked a little louder.

Pierce makes little attempt to give credible impressions of the stars he interprets. He is very much the clever fellow guying up the ladies for the amusement of a particular coterie. A change of wig or a turban means a change of character, but it is never really Mae West, just jokes about Mae West sounding funnier because there is an illusion of the octogenerian madame. While other drag comedians like Danny La Rue and Hinge and Bracket appeal to a basically straight audience, and use their female characterisations as props, Charles Pierce talks the closet humour of the gay world. "I am very into cupboards," he notes, as he knocks the new furnishings at Country Cousin.

For outsiders, especially outsiders marooned at the bar a good tram ride away from the stage, Charles Pierce is striking but ultimately alien. For anyone wanting to savour the precious atmosphere of Country Cousin at full throttle he could hardly be bettered. Try to get in to the second house for maximum voyeuring, or better still make sure you went on opening night last Tuesday when Pierce's hour delay in starting—the sound engineer had gone on the blink—ensured that the first and second sittings clashed in bitchy confusion. Country Cousin is dearer and chicer now, but just as bizarre.

Book Review

Rebel with causes

The Act of Being by Charles Marowitz. Secker and Warburg, £6.50. 196 pages

Charles Marowitz is never satisfied with what looks like being established. He abandoned Method acting because he found it "effectively precluded any work other than psychologically realistic drama." So now he practises a modified system of his own. He spent some time as a critic, and published the results as *The Confessions of a Counterfeit Critic*. He prefers his own Shakespeare mutations to Shakespeare. As I write, he is directing *Hedda*, a *Hedda Gabler* cut-up, at an Ibsen festival in Norway.

In *The Act of Being* (a rather expensive book (it seems to me) he analyses his own methods of direction very interestingly. The exercises he gives in an appendix are fascinating. Can I say that they render the players in his companies significantly above the "mediocrity" that he finds in the average English player? No, I can't; but then I don't recognise the mediocrity.

All the same, his work is always lively and individual. His writing too, though it is lamentable careless, with "infer" for "imply," "prestigious" for "reputable," and other vulgarities. And surely an ex-Method actor should know the Moscow Art Theatre embraces one single art only.

B. A. YOUNG

Book Reviews are on Page 28

Cotrubas stands in

Regine Crespin is ill and will be unable to give a recital at the Royal Opera House, Covent Garden, on Sunday. Ileana Cotrubas, accompanied by Geoffrey Parsons, will take her place. Miss Cotrubas will offer a programme of songs by Glinka, Faure, Debussy, Duparc and Britten.

Luther King award

The Martin Luther King Memorial Prize has this year been awarded to *Between Two Cultures*, edited by James L. Watson.

The award will be made at a ceremony to be held at Blackwell's Bookshop, Broad Street, Oxford, on April 11.

Schoolchildren at Glyndebourne

Kent County Council Education Committee is being asked to approve a £40,000 project for the autumn of 1979, in which Glyndebourne Touring Opera will present six performances at Glyndebourne for audiences of secondary school pupils from Kent.

During the 1979 summer term, music education in the county will embrace the operas and the composers concerned, and a series of lectures, with both musical and visual illustrations, will be given in September for the 4,000 pupils who will be attending the performances at Glyndebourne.

Round House Downstairs

Raindance

Now here's a curious paradox. Meir Z. Ribalow, who is both the author and director of *Raindance*, comes to London to form a repertory company (knowing that as an American he can't rely on the Arts Council for support) because, he tells me, he finds the atmosphere more sympathetic than it was in New York, where for five years he was assistant to Joseph Papp at the New York Shakespeare Festival.

He gives us a diet of plays by young American writers (heavily weighted, it must be said, in his own favour) and casts them with predominantly American players. And the work of these young Americans seems to me streets ahead of its British equivalent. They show more originality, more poetry, more imagination, they are less fettered to the events of their own lives; and when they do write about their own lives they do so as artists rather than reporters. Shepard, Weller, Rabe, Mamet—where are our competitors? Why does not our sympathetic atmosphere support a hotter flame?

Well, back to *Raindance*. It isn't an important play. It is an entertaining variant on the Sorcerer's Apprentice, set in a western saloon where five people may be said to represent the population of the globe. Falina, the world's greatest whore, will stand for women: John Wesley Hardin, the proud gunfighter, for the white race: Jim Crow for the black: Sitting Bull for red; J. P. Standard (white of course) for commercial power. They are afflicted by a drought that looks like ruining the world.

In comes George, a kind of Texas Candide. George, played with delightful simplicity by Tom Kleh, has only one talent, and he is not keen on using it. He can do a raindance—not when he wants to, but when the fit comes on him. Though he resists the various temptations set in his way, the fit does come, willy-nilly: and the rain begins. He is showered with rewards—a 72-hour non-stop special from Falina, the key to every city in the world from Standard. But he has no anti-rain dance. The rain goes on. The world is threatened again.

Never mind how it ends: the pleasure is in the lighthearted writing and the lighthearted playing by the company—Jeananne Crowley, Guy Gregory, Frank Lazarus, Manning Redwood, the vast Bill Bailey.

B. A. YOUNG

Trevor Humphries

Jeananne Crowley and Frank Lazarus

FINANCIAL TIMES

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Thursday April 6 1978

A promise to do better

THE MOST perceptive in yesterday's White Paper on the nationalised industries comes right at the end. The Government says that it fully agrees with the National Economic Development Office about the need for its relations with these industries to be based upon trust, continuity, and a proper system of accountability. It then goes on to observe that none of these concepts can be guaranteed by legislation, by new machinery of control, or by principles an objectives discussed in a White Paper. Quite so. The history of these relations over the past 30 years is strewn with a host of good intentions. The true test will be whether this government, and its successors, will in practice find it convenient to live up to the precepts that are now being put forward.

Focus

Given the political will, the framework outlined yesterday could go a lot of the way towards putting government-nationalised industries relations on a more systematic and orderly basis and towards creating a clearer distinction between the respective roles and responsibilities of the two partners.

According to the White Paper, the focus of relations between the two ought in future to be each industry's corporate plan, and the major long-term policy reviews which are undertaken from time to time in particular sectors. That is when strategic options can be examined and objectives set—and adhered to until circumstances change. The system of financial targets and guidelines for pricing policy and investment appraisal which was developed in the 1960's is to be re-introduced in an extended and reinforced form as the basis upon which management performance will be judged. In particular, each industry will be required to develop and publish a series of performance indicators and to demonstrate that the whole of its annual investment programme will achieve a minimum rate of return.

Above all, the White Paper outlines a new system of "specific directions" in which Ministerial interventions which cut across an industry's commercial obligations would be embodied and subjected both to Parliamentary control and a measure of financial discipline. These directions would take the form of a statutory instrument, which would be subject to Parliamentary procedures. They would be accompanied by an estimate of the extra cost involved (and the industry's own estimate if it disagrees with the Government's figure); and compensation would be paid to the industry "where appropriate."

In this last respect, the White Paper is more realistic than NEDO which suggested that policy differences could be thrashed out in a series of top-tier boards composed of management, civil servants, trade unionists, and users. For Ministerial intervention is not only inevitable, given the importance of the nationalised industries' role in the economy; it is also desirable if those industries which, because of the way they are structured, have substantial market power as suppliers, buyers, or employers are to be subjected to a form of control. It would be far better, therefore, to bring these interventions out into the open, and subject them to some kind of discipline.

Yardstick

And yet the White Paper raises doubts as well as hopes. In many instances, it says, agreement may be reached without the issue of specific directions which are in any case likely to be used sparingly. An industry's "social objectives" may still sometimes be subsumed in its financial target rather than accounted for separately. It is not at all clear why a minimum return of 5 per cent. in real terms should be the right criterion for new nationalised industry investment. Quite how efficiency is to be stimulated in those sectors where market competition is weak or absent remains unclear. The spectre of management and trade unions ganging up against users in monopoly sectors is raised by the section on workers' board representation. And there is no assurance that sponsoring departments will be any better equipped than in the past to deal with corporate plans and performance indicators.

Still, the White Paper has set a yardstick against which future Ministerial actions can be judged. It will probably be up to the industries themselves, and the Commons Select Committee on the nationalised industries, to mak sure that these good intentions become—and remain—a reality.

The direction is right

THE CHANCELLOR refused on Monday to accept the Liberal proposals for the Budget put to him by Mr. Steel and Mr. Pardoe. Although the Liberals may well put down various amendment to the Finance Bill and help to defeat the Government on specific issues—as they did before on the question of an increase in petrol duty—it seems unlikely that they will seek to bring it down. The latest public opinion polls, if nothing else, will tend to keep the Lib-Lab alliance going for some time longer.

There may therefore be a temptation to dismiss the Liberal proposals as both unrealistic and irrelevant, a mere attempt by a party which has no chances of obtaining power to win votes by putting forward a programme it would not dare to sponsor if its position were stronger. But this would be a mistake. It is true that the gross cut in direct taxation which the Liberals are proposing is a good deal larger than the Chancellor and his advisers think wise. Given the persisting uncertainties about spare capacity, inflation and the balance of payments, it is almost certainly too large—if that were the sum of the Liberal proposals—to be made in one jump at this time.

Higher rates

But as a programme stretched over two or three years, there is everything to be said for steep cuts in direct taxation. Mr. Healey himself will almost certainly make some cuts, and the Prime Minister has bluntly informed Labour's left wing that the majority of the party's supporters are more interested in lower direct taxation that in still larger public expenditure. A rise in the level of income on which tax first becomes payable is something that all parties agree to be desirable and which may very well figure in the Budget.

A cut in the standard rate of income tax is also on the cards; if Mr. Healey is unwilling to go as far as the Liberals would like, it is because his advisers think the "cost" excessive. The only point, if any, at which ideological differences might arise is the idea of cutting back the grossly excessive higher rates of tax—and even here the Liberals have been more modest in their proposals than some reports suggested. The cost of tax cuts at this level would be relatively small, absurdly small in relation to the gain in incentive involved. The difficulty, from the Government's point of view, is the assumed reaction of the left-wing and the trade union leaders.

There may come a time when a Labour Government is ready to face this reaction for the sake of greater efficiency. It is certainly ready to admit that direct taxation as a whole is too high. The more it can be cut within the overall framework of the Budget, the better.

More indirect

This is the other main virtue of the Liberal proposals, that they set out to maximise the scope for cuts in direct taxation. They do this in two ways. First, they put forward no ambitious new plans for public expenditure: it remains to be seen how austere Mr. Healey is in this respect. Second, they reckon to offset roughly one-quarter of the cost of direct tax cuts by increasing indirect tax sharply on drink and tobacco. This may seem to be political baby-talk with an election in the offing Government spokesmen will certainly talk about the effect on the cost-of-living and the Liberals can fairly be criticised for not carrying through the logic of their argument and proposing a similarly steep rise in the price of petrol.

But these duties have fallen far behind the general level of prices and there is a strong case for bringing them back (even if not in one go) into line. The case is the stronger since it enables direct tax to be cut more than otherwise and discretionary consumer spending power to be correspondingly increased. This, rather than the figures themselves, is the essential point of the Liberal programme.

State pension scheme sets a new standard in complexity

BY ERIC SHORT

TO-DAY heralds the dawn of a new era in British social security — the start of a new State pension scheme that radically affects all employed persons and their employers.

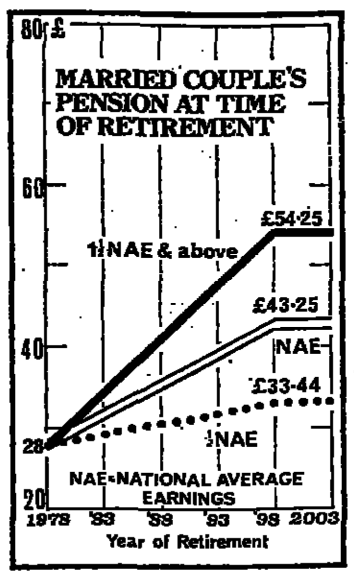
The scheme has been on the drawing board for nearly four years and the legislation which establishes it, the Social Security Pensions Act, 1975, has existed for nearly three years. It has received more in-depth discussion and analysis than any other social security proposal. Yet a recent survey by a leading pensions consultant revealed considerable ignorance on the subject by the man-in-the-street.

The reasons for this lack of understanding are not difficult to find. The scheme is extremely complex, especially when it comes to calculating pension entitlement. The Department of Health and Social Security did not seriously begin to explain the scheme until January. And those people who are very interested in pensions because retirement is only a short time ahead are not greatly affected by the scheme, as will be seen.

The scheme makes radical changes in three main areas of State pension provision. It relates pensions to an employee's earnings during his or her working life. It endeavours to preserve the purchasing value of these pensions against inflation and it provides that employed women will qualify for a full pension in their own right. But of equally important, especially from a Labour Government, the new scheme establishes what is hoped will be a permanent partnership with company pension schemes, which play under this new structure an important role in securing an adequate pension for all employees.

It is surely the aim of social security to provide adequate pensions. Yet, with hindsight, it has become apparent that the National Insurance scheme, based on the Beveridge report, with its theme of providing a minimum flat-rate pension only and allowing company pension schemes to make the main provision could not possibly produce adequate pensions for all. Good company pension schemes have long been providing pensions based on final salary and it became obvious not long after the NI scheme started in 1948 that State pensions had to be related to earnings. But politicians have been arguing for two decades about how to change the system. Now at last there is a scheme that has the acceptance, if not the blessing, of all three main political parties.

The new scheme takes the



previous flat-rate pension—at present £17.50 per week for a single person and £28 per week for a married couple—as providing the first tier of the pension. To this is added an earnings-related second tier, so that now pensions will have two components. Employers have the option of contracting their employees out of this second tier and providing the earnings-related benefit from a company scheme. Over 20,000 employers have decided to exercise this option and contract-out.

This concept is straightforward, but complications arise over the method of calculating the earnings-related pension. This is based on what is designated "relevant earnings"—defined as the amount earned in a week between a lower limit equal to the single person flat rate pension and an upper limit of approximately seven times this amount. The present "relevant earnings" band is from £17.50 to £120 per week. The additional pension is then calculated as 1¼ per cent. of these "relevant earnings" for each complete year in the scheme up to a maximum of 20 years' earnings.

The following example will make the calculation method clearer. Consider an employee with weekly earnings of £80, about the national average. His relevant earnings will be £80−£17.50=£62.50. Assuming that his earnings stay at this level for 20 years, his additional pension will be 1¼ per cent. times 20 equalling 25 per cent. of these relevant earnings, that is 25 per cent. of £62.50=£15.42.

This gives the value of the second tier earnings-related pension, which is added to the basic pension of £17.50 giving a single person's pension of £33.12 or 41.4 per cent. of earnings. If his wife has no pension in her own right, then there would be married couples allowance of £10.50 making a total weekly pension of £43.62 or 54.5 per cent. of the husband's earnings.

The smaller table illustrates the pension benefit for various salary levels assuming that such levels remain constant. It also indicates the level of pension expected as a percentage of earnings. The combination of the two components results in a higher percentage pension for the lower paid, while the higher paid receive a lower percentage pension. The imposition of an upper earnings limit for pension entitlement provides a very low percentage pension for those earning well above this ceiling. The amount of pension does not increase for those earning above 1½ times national average earnings.

While this scheme represents a radical improvement in pension levels from the former scheme, the benefits are still well below those provided by the State in almost every other European country. To-day can be regarded as a milestone in pensions history, but the new scheme cannot really be looked on as revolutionary, as some of its admirers claim.

Inflation would soon make a nonsense of such a system if the pension calculations were based solely on monetary earnings. The new scheme has therefore been designed to make it inflation-proof as far as possible, both during working life in calculating the pension and afterwards when the pension is being paid.

During an employee's working life each year's relevant earnings will be revalued in line with the movement in National Average Earnings rigt up to the time of retirement. Then the best 20 years are taken to calculate the pension. Because a man can expect to have over 40 years' contributions in the scheme there is a wide choice in picking the best 20 years.

Why was such a complicated method chosen? Private schemes deal with this problem by basing pension entitlement on salary at retirement or in the few years immediately preceding retirement. This solution is quite adequate for non-manual workers whose salary, in real terms, tends to increase throughout working life (at least until pay policy came on the scene). But with manual workers their best years for earnings come quite early in their working life. The new method ensures that their pension is based on these best earnings years.

It is, however, interesting to note that when company schemes for works employees have been negotiated the pension is based on final salary, which is easily understood, rather than average revalued earnings, even though the latter could provide a much higher pension. There must be a lack of communications somewhere.

So far the position as stated relates to an employee retiring on or after April 6, 1998, when at least 20 years' contributions will have been paid to the scheme and therefore the employee is entitled to the full pension. But anyone retiring before 1998 will only have his earnings-related pension based on the years from to-day—previous NI contributions will not count (regarded by some as rough justice). In addition, only complete years from to-day will count towards the pension, so a person retiring before next April 6 will not qualify for any additional pension however small. But as a concession, for these persons, the extra contributions will be refunded.

The graph shows how the pension entitlement will build up according to the date of retirement for various earnings levels. In the example given above, if the employee contributed for only 10 years, his additional pension would be 1¼ per cent. times 10 equalling 12½ per cent. of relevant earnings, that is 12½ per cent. of £62.50=£7.81, making a total single person pension of £25.31.

This system is obviously unfair to existing pensioners and those due to retire in the years immediately following the start of the new scheme. After all they have contributed to the National Insurance scheme and it is not their fault that the politicians have delayed the introduction of a pension scheme providing adequate pensions. But it is difficult to see how else the scheme could have been transformed from the old to the new without causing administrative chaos and imposing a heavy immediate strain on finances. But for several years differential state pensions are going to be paid depending on when a person retired. Some observers are perturbed at this state of affairs.

The pension, once it becomes payable, will be inflation-proofed in as much as it is to be revalued at least once a year. The first tier basic portion will continue to be uprated by the present method in line with the movement in average earnings or prices, whichever is the greater. But the earnings-related second tier will only be revalued in line with prices. It is debatable whether this revaluation process should take place more frequently than once a year, but at present it takes the DHSS at least 22 weeks to implement an uprating.

Under the new scheme women will get equal treatment with men in that they will receive the same pension and other benefits for comparable earnings. On the other hand they will receive the pension at 60, five years earlier than men who will still have to wait until 65 before qualifying. The Government at present consistently refuses even to consider any moves towards having a common retirement age for both men and women. Without this equality cannot be achieved. But because this feature favours women it would appear to be acceptable to most people.

The only drawback is that women will have to pay the same contribution rates as men. The married women's option under which married women could elect to pay a reduced contribution of 2 per cent. and rely on their husband's record for pension entitlement is being phased out. The option was ended in April, 1977 for single women who marry after that date and for married women who had not taken the opti

The DHSS has no figures av able for the number of marr women who have kept the opt but indications are that majority are still content to the reduced contributions get their pension from t husbands' record.

Widows pensions are also being calculated on a two- basis. The present basic will be supplemented by earnings-related portion calc ted in exactly the same man as for retirement pension. will be based on the husba earnings record up to the of his death, but only comp years from to-day will co that is if he dies before A 6, 1979, the widow gets no e ings related pension. These e ings will be revalued in acc ance with National Aver Earnings.

But all these radical char have to be paid for and the contributions rates are sh in the table. For employees ing kept in the new schem means higher contributio from the present 5¾ per c to 6½ per cent. with a hig upper limit. And, of cou such contributions are not ible for tax relief. But w employees are being contra out of the State scheme, of them could be paying le NI contributions. Such ployees will be paying a hig rate on the first £17.50 of we earnings but a lower rate earnings above that level.

The new pension sch however, does nothing at all the self-employed in the ma of providing earnings-rel benefits. This group will only be eligible to receive basic flat rate pension on re ment and widows pension also be only at the basic Self-employed people will need to make their own p sion, the most tax-efficient b through a life company pen plan. But from to-day the co bution rates for the employed are being reduce reflect this lack of addit benefit.

NATIONAL INSURANCE CONTRIBUTION RATES

Weekly Earnings	Not Contracted-Out Employee %	Not Contracted-Out Employer %	Contracted-Out Employee %	Contracted-Out Employ[er] %
First £17.50			6½	10*
17.50-£120	6½	10*	4	5½*

* excluding the 2 per cent. surcharge

WEEKLY NATIONAL INSURANCE PAYMENTS

Weekly Earnings £	Not Contracted-Out Employee £	Not Contracted-Out Employer £	Contracted-Out Employee £	Contracted-Out Emplo[yer] £
40	2.62	4.83	2.05	3.3
60	3.92	7.23	2.85	5.3
80	5.22	9.63	3.65	6.8
100	6.52	12.03	4.45	8.3
120 or more	7.80	14.40	5.24	9.7

Figures supplied by the DHS from its banded tables and include the surcharge on employers' contributions.

NEW STATE SCHEME PENSIONS

(in £)

Weekly Earnings	Relevant Earnings	Earnings Related Pension	Basic Pension	Total Single Pension	% of Earnings	Married Couples Allowance	Total Joint Pension	% of Earnings
40 (½ NAE*)	22.50	5.62	17.50	23.12	57.8	10.50	33.62	84.0
80 (NAE)	62.50	15.62	17.50	33.12	41.4	10.50	43.62	54.5
120 (1½ NAE)					35.9			44.7
160 (2 NAE)	102.50	25.62	17.50	43.12	26.9	10.50	53.62	33.5
240 (3 NAE)					18.0			22.3

* National average earnings

MEN AND MATTERS

Political parson tackles Tuke

It is rare for opponents of a particular theid to present Anthony Tuke, chairman of Barclays Group, with a scroll wrapped up in a ribbon—but, I looked on as this happened at the group's AGM yesterday. True to form, the occasion saw Tuke having to field numerous questions about Barclays' involvement in South Africa.

One lady besides me thought that the South Africans were holding off the hammer and sickle. Tuke, however, would not venture into such political arenas while he listened patiently as Michael Terry of the Anti-apartheid Movement attacked him for writing that "it was the more extreme fringe elements" seeking a holocaust who would like to see an end to foreign investment in South Africa. He also cited some British government pronouncements which brought into question those used by Tuke.

"Watch your step—its the law of the jungle around here!"

Terry had to bear with shouts of "pipe down," as did the Reverend David Haslam, speaking for a movement called End Loans to South Africa. Haslam made Tuke withdraw come remarks made last year o he U.S. Chamber of Commerce that only "the campus and pulpit" caused trouble at the Barclays AGMs. He also had Tuke agree that not all those who want an end to foreign investment also want a holocaust.

Haslam's most heated language was reserved for a recent claim by Tuke that the dead Steve Biko would have wanted foreign investment to continue. "Desperate defamation and callous co-option," Haslam said, quoting to prove this from Biko's last interview—and walking down the aisle to present a scroll of the interview to Tuke. As printed in Donald Wood's book on Biko, the dead Black consciousness leader says "... foreign investment supports the present economic system and thus indirectly the present system of political injustice." To which Tuke replied that Haslam should not expect him to withdraw his remarks: he only knew what he had been told.

At this point Tuke said he would welcome the names of some Black Africans to talk to, but he was swiftly reminded that many black leaders were in prison and that, should they advocate the withdrawal of foreign capital, they could be charged under the Terrorism Act. At the end there was one thing to cheer Tuke—he does not have to face a similar barrage until next year.

Sweating it out

In Victorian times it was said that horses sweated, men perspired and women merely growed. But nowadays, exercise is a great leveller: from Monday, the nation's politicians of all persuasions and sexes will be groaning, grunting and sweating as one. In the old Scotland Yard building, a gymnasium opens for business (subscription £50 a year). Activists behind the initiative to keep our legislators on their rtoes are two Tories, Jim Spicer and Lynda Chalker, with the benevolent encouragement of Sports Minister Denis Howell. Spicer and Chalker were in a TV series about physical fitness two years ago and believe, among other things, that organised exercise would take some strain off the National Health Service. Spicer quotes the vast cost of keeping business executives with heart attacks in intensive care units. "I think all large companies should have a gymn," he says.

It has cost £4,500 to equip the Parliamentary gymn with bicycling machines, pulse-testing equipment and the like. I asked whether it would not have been cheaper for the parliamentarians to jog across to St. James's fo ra couple of gentle circuits of the park; it seems they would fear making themselves look ridiculous in public. Fending off Spicer's offer of a glass of apple juice, I asked whether he hoped to make politicians live longer. "I think the public would hate to hea rit put like that," he said.

Agents' fancy

In the spring sunshine, the first waves of tourists are reaching our shores: the forecast for 1978 is 13m. of whom at least 10m. will spend part o ftheir time in London. It is good news for the theatre managers. To quote Sir Donald Albery, at least one-third of the seats at London shows are filled by foreigners in the summer. But are they going to the right plays, or being steered instead to such fixtures as "Oh! Calcutta!" and "The Mousetrap"?

Stuart Burge, artistic director at the Royal Court, claimed yesterday that too many tourists go home disappointed with what they have seen on the London stage. "I think it is a national disgrace that some visitors, such as the Japanese, are herded into certain long-running plays, when our theatre has far better things to offer." Burge thinks the British Tourist Authority could do far more to publicise the full range of theatre offerings in London.

He also criticises some travel agents for making block bookings for "obvious" shows giving big discounts. It is said that originally block bookings can be made for some shows for less than half the normal price; discounts of a third are normal.

Not surprisingly, a BTA spokesman reacted coolly to Burge's complaints. He said: "We publicise the London theatre as a vast choice of entertainment. We work very closely with the travel trade." It is argued that without the tourists the West End theatre would scarcely survive. I then put the Burge thesis to Martin Drew, managing director of tour operators Groups Unlimited. He said: "We would rather get tickets for the right shows at the full price, rather than send our groups at a discount to theatres we do not want." Drew did not deny, however, that the travel business has subjected vast numbers of bemused foreigners to "The Mousetrap" over the past quarter-century. But it can be better to be safe than sorry: last week, Drew's company accidentally made a block booking for a party of schoolgirls, escorted by nuns, for the racy "Filumena" at the Lyric. "Just in time we realised, sent them elsewhere, and gave the spare tickets to our friends."

Live wire

Card in a Solihull shop window: "Young man, tired of routine office job, seeks post offering adventure and excitement. Go anywhere in Solihull."

Observer

ECONOMIC VIEWPOINT

A lack of room for monetary manoeuvres

THE SAD dampening-down of expectations for the Budget since the euphoria of six months ago is due to two apparently quite different sets of worries.

The Chancellor and his advisers have been making gloomy revisions to their balance of payments forecasts, and trying at the same time to estimate how far the trade unions have stolen the Government's thunder by mounting their own "reflation" through higher wages. Neither the trends in trade volume, nor the prospect of a rise of 5 per cent. or more in real consumer incomes, leaves much room for the Chancellor to do what he had hoped—cut taxes and win votes.

The City has also been worrying about the Budget arithmetic; but the news which has worried the Chancellor has on balance probably re-assured the City by reducing his scope for expansion. The central financing problem is control of the money supply, and the very rapid growth of recent months has been causing concern—and, this week, downright alarm.

Yesterday's emergency message from Greenwell's, with its warning that we have already seen the start of a monetary explosion like that of 1972, represents an extreme view. All the same, there is widespread worry about the problem of financing a public sector borrowing requirement of £8bn. or more without either permitting an explosion or driving up interest rates sharply. For this reason, the Chancellor will be addressing a very suspicious City audience searching keenly for any sign that either the figures for the borrowing requirement or for the monetary targets have been fudged.

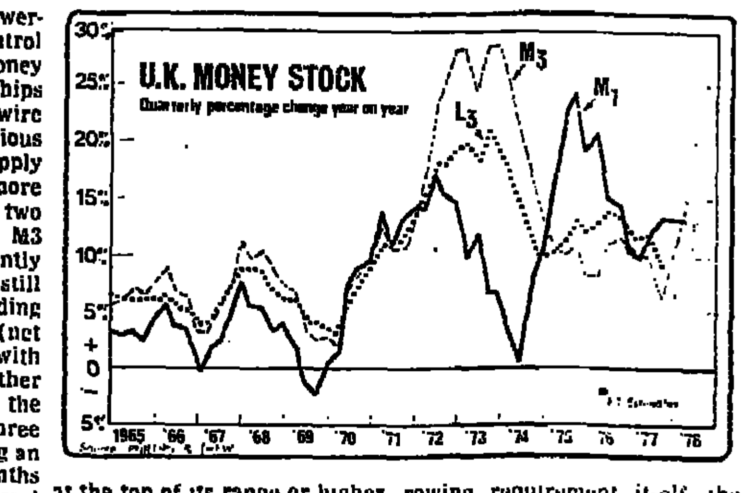
The Chancellor's worries and those of the City are not, of course, as different as they may appear at first sight. The financial figures do provide an indirect view of the real economy. If the Chancellor were pursuing a rigidly anti-inflationary policy, the acceleration of wages would tend to deflate the economy as it did in 1974-75, as it dragged the economy into the barriers of monetary and fiscal restraint; but in fact the Chancellor plans at least to accommodate the rise in real demand.

The acceleration of monetary growth which has occurred is partly the natural consequence of this more relaxed stance. However, the money figures view the future through what is often a distorting mirror, and the view that they are trying to warn us of an irresponsible election boom, to be followed by inflation and a sterling crisis, needs a good few technical footnotes.

Any level

The chart both provides a long-term perspective and illustrates the difficulty of interpreting any single measure of the money supply. In the days before monetary policy was a central concern, provoking heavy official intervention in the financial markets, the monetary figures were quite a good indicator fo rthe economy; and the market structure—the division between cash, current accounts and various forms of saving—was pretty stable. The money supply could be measured at any chosen level—as a narrow measure of quick spending power or a broad one of fairly liquid assets—without giving a very different answer.

However, the system was redesigned in 1971, and has had since 1973 to respond to powerful official attempts to control one measure of the money supply, M3. The relationships have gone completely haywire as a result. The various measures of the money supply now contradict each other more often than not, with the two official measures M1 and M3 moving generally in violently opposite directions, and a still broader measure, L3, including building society deposits (net of the societies' deposits with the banks) following a rather indeterminate path between the two. It is only because all three indicators have been showing an acceleration in recent months that there has been any general agreement on what they may mean.



Readers may feel that the chart provides little evidence of these alarming developments, and they are right. It measures year-on-year changes, while City comment has been based on the annualised rate of change over the last few months. There is ground for endless debate about the proper period over which to measure a significant trend, and there is no doubt that monetary expansion from September to January was far too fast. But the figures have been heavily influenced by foreign inflows—which measure currency hedging more than credit demand—and by money market distortions, and appear now to be damped down. There is still, in fact, a sporting chance that growth for fiscal 1977-78 will be within the official 9-13 per cent. range. It is certainly not yet clear whether monetary growth is tending strongly upwards, or has levelled out rather untidily around the 13 per cent. level.

Either way, however, the figures provide a somewhat forbidding background for the Budget. With the money supply at the top of its range or higher, the targets for next year ought to imply rather less room for upward error than those for the year past if the target range is not to be shifted upwards, and this may be read in the City as the acid test of all the statements of monetary firmness which have been heard from the Chancellor and the Governor. Certainly, any attempt to treat this year as so much water under the bridge, and to base a new target on whatever figures we happen to have reached, will be treated as fudging. More important, the actual weapon of control has grown blunt. Last year, falling inflation and sterling's strong performance in the exchange markets provided the ideal market for selling Government stock. This year any enthusiasm is likely to be highly tentative, and there may be funding crises.

It is against this background that the City will want to assess the financing burden imposed by the Budget; but the task will not be at all easy. This is because comparisons between this year and next are greatly complicated by three distortions:

First, the public sector borrowing requirement itself, the most fundamental cause of monetary expansion, is likely to come out some £4bn. below the total implied by last year's Budget statement, adjusted for subsequent mini-Budgets. The relationship between the estimate for next year and the final outcome is not easy to guess.

Second, the figures for the PSBR last year were reduced by two partly window-dressing transactions—the sale of BP shares and the refinancing of a proportion of export credits by the banks rather than the Treasury. This year's figures must, therefore, be examined for window-dressing.

Finally, and most difficult to assess, the forces making for monetary expansion this year have included an inflow of about £3bn. from overseas (the last recorded figure was £3.2bn. since April, seasonally adjusted, but there was an outflow in March). This is not at all likely to recur, but as a result the growth of corporate borrowing from the banks may be rather higher than normal relationships would suggest. This is because part of the inflow was effectively corporate borrowing across the exchanges through the leads and lags of trade settlements, which made a corresponding amount of bank borrowing unnecessary. On the other hand, part of the inflow was a simple movement of balances to hedge against currency risks, which had nothing to do with the demand for money; so the rise in demand for bank loans as a result of the end of the inflow is a matter of guesswork.

Luckily, pre-Budget guesswork is simplified in one respect. The Chancellor has already set a ceiling on the PSBR for the coming year of £8.7bn. in his Letter of Intent to the IMF, and is unlikely to produce a figure on Tuesday above the £8bn. which the London Business School and many others have set as a confidence limit. The window-dressing last year, and any [illegible] this year, will affect the economic interpretation of this number, but not the sum to be financed.

If the figure this year is as undistorted as the City hopes it will represent very little change in fiscal stance, since the "true" borrowing requirement for this year is about £7bn. This trick can be combined with tax cuts thanks to the fact that there is still some fiscal drag in the system despite the indexation of personal allowances—quite a lot this year, since the indexation was done in advance. Early Government revenues from the North Sea will also help. A fudged PSBR, on the other hand, could conceal a stimulus.

Starting, then, from a PSBR of £8bn., one must try to guess at total private credit demand. In normal times this could be expected to grow broadly in line with money GDP, which will probably rise about 13-14 per cent. However, profits have been good, and the slowdown in inflation (and especially material costs) will greatly reduce the burden of financing stock appreciation, while personal incomes are rising sharply.

The guess here, therefore, is that the rise in credit demand will be considerably less than "normal"—as occurred in the U.S. in the first two years of growth recovery. A 10 per cent. rise has been chosen as a nice round number. An equally arbitrary guess is made about foreign inflows: half were borrowing from overseas, half were hedging. On this basis, the figures for next year work out as follows:—

	1977/8 £bn	1978/9 £bn
Expansionary forces		
PSBR	5.5	8.0
Private credit:—		
Banks	3.5	5.5
Foreign	1.5	—
Hedging inflow	1.5	—
Total	12.0	13.5
less		
Permitted monetary growth	5.2	5.5
Banks' non-deposit liabilities	0.7	1.0
Balance for funding	6.1	7.0

These rough estimates of the implications of a reasonably convincing monetary target do not suggest that the actual sums involved are insurmountable, especially when it is remembered that company issues which fund bank debt reduce the need for official funding.

However, the guesses are clearly subject to error—and in what may be a very difficult gilts market in any period of bad news about trade or wages, there is precious little room for error. It is not enough to show that the institutional flow of funds is more than adequate to take up the stock required; institutions grow wary, and their cash can pile up, as is suggested in the extraordinary wanderings of M3 in the chart.

Indeed, as long as the authorities rely almost entirely on selling fixed interest stock to mop up surplus money, they will find that a PSBR of anywhere near £8bn. gives them some periods of sleepless anxiety. The question is not one of an inadequate flow of funds in the markets, but of acceptable securities. A strong gilts market would probably depend on monetary growth being held well within the new target range—an expansion of £5bn. rather than the £5.5bn. suggested, with higher stock sales.

Such a tight policy might well hamper the real growth of the economy, though the flat yield curve implied with higher money rates but a strong gilts market, would encourage equity financing. But the dilemma is a technical one. As I have suggested almost annually, the Government could avoid the necessity to squeeze the company sector out of the banks by issuing its own "equity." The success of the BP issue suggests that a stock based on North Sea oil (and perhaps indexed to the price of oil) would offer the kind of asset pension funds dream of, especially when their confidence in gilts is shaky. Such proposals were not urgent against a background of monetary deflation and falling interest rates; but in a year of uncertainty and rather demanding monetary targets, innovation may be crucial.

Anthony Harris

Letters to the Editor

Productivity deals

From Mr. G. Smith.

Sir, — Sue Cameron's article (April 3) on breeding a new type of productivity deal certainly gives encouragement by highlighting that managements are thinking more creatively about rewarding their employees.

The open style of management encouraged by the use of added value will also bring about improvement in the economic literacy throughout a whole company. The linking of all employees' pay will certainly stimulate employee involvement in improving business performance for the benefit of all participants in the business. The statement: "Agreements based on added value may require long references back in time to arrive at a sound base line" is important. What is more important is that the base line of productivity should link sales to added value to payroll to profits and to capital employed. It is to be hoped that managements will now take steps to examine the broader aspects of the added-value concept that is wealth creation.

One of the beefits of this kind of productivity deal may be that companies and employees should be able to develop a means of doing longer-lasting pay agreements. What is wrong with having a code of practice on pay negotiations linked to a company's total economic performance? May be if companies adopted this positive approach the Government would stop interfering in the wage bargaining scene: presumably both parties want this.

The Government could still regulate the situation by monitoring prices charged by each company on other parts of our industrial or personal society, that is, a national policy of transfer pricing between producers and consumers.

This kind of productivity thinking should stimulate some newer and broader creative thinking in pay bargaining and our overall economic situation. A soundly based economy is probably the best base for developing a better participative democratic system in business and industry.

G. Smith.
*Halford House, Copse Hill Road, Lower Slaughter,
Nr. Cheltenham, Gloucestershire.*

Index funds

From the research officer, Association of Chart and Technical Analysts

Sir,—With the latest investment fad being that of the "index fund," whereby, having relinquished the struggle to outperform the market, one simply attempts to match its performance, up and down, by buying the individual shares that make up the market index, it may be instructive to consider the experience recently of one of the U.S. index funds.

Just over 18 months ago, one of the large U.S. banks set up a fund based on the constituents of the Standard and Poor's 500 share index.

It chose, however, to discard from this list a selected 19 issues that were deemed to be of insufficiently high quality. After 18 months the results are: the index fund is down 7 per cent.; a portfolio based on the 19 rejected stocks is up 17 per cent. So much for the idea that stock selection doesn't work!

To a large extent the index fund has come into being owing to the poor performance in recent years of many fund managers and their advisers—whether they be fundamental analysts or technical analysts. I don't think, however, that it's a case of the analysts having been any worse, or of the market having been more difficult to analyse—simply that the penalties for getting it wrong have been greater.

This, however, is no reason for the fund manager to give up and stop managing. For me technical analysis does work, it has in the past, both recent and distant, and I am confident it will in the future. And, a number of "academic" studies notwithstanding, technical analysis also works best of all on the highly capitalised, highly traded, leading shares, in which a continuous turnover enables a clear assessment to be made of the technical forces of supply and demand that create future price action.

So if you can't beat them, don't join them, but try a bit harder instead!

(Dr.) H. N. Southworth,
University of Birmingham.
Department of Physical Metallurgy and Science of Materials.
Elms Road, North Campus, P.O. Box 363, Birmingham.

A phoney figure

From Mrs. E. Price.

Sir,—An increase in the Retail Price Index seems to be Mr. Healey's main reason for refusing income tax cuts of any value. The cost of living index ought to be amended in three ways to prevent this specious argument being used: (1) Remove cigarettes and alcohol; (2) List VAT as a separate item; (3) Include income tax.

It could be argued that to include income tax is impossible as it is a variable from family to family, but so too is the cost of travel, the size of the rent or the mortgage and the number of children, and the wage earned.

Whereas the cost of living index is a phoney notional figure, income tax is one of the largest items in a family budget and one of the most resented since on it no saving can be made, and the harder a person works the larger it becomes. Its effect is particularly malignant in a large family since children's tax allowances have been cut. To include it in its proper place as an item of expenditure for all officials to mediate upon may help them to understand some of the impotent rage at such confiscation.

(Mrs.) Elizabeth Price.
*Redwall Farmhouse,
Linton,
Near Maidstone, Kent.*

Cornish history

From Mr. R. Cocks.

Sir,—Your "Week-end Brief" article on "migrant watches" (April 1) is topical but the author should study history. A famous Cornish historian positively asserts that "emmets" first came to Cornwall from the shores of the Mediterranean about 4,000 years ago. A few centuries later came the Celts and then the Romans. These Cornish facts are proven by pre-Celtic tools, fortifications, homes and burial places as remains of these are still extant in our county.

In any case, in the last century, Cornwall was almost depopulated by emigration—during 1875 in six months 10,576 Cornish people went to Australia. In the gold-mining town of Bendigo, Victoria, at that time, one evening in a hall, 73 men from St. Just, then the nearest village to Lands End, were counted.

People from north of the Tamar and Europe have constantly come to Cornwall not only by land but by sea and true Cornish people have always welcomed them as I, a Cornishman, have been welcomed in the worldwide countries I have visited and lived in, where usually I have found people of Cornish descent.

Richard Kelynack Cocks.
"Benzon," 3 Donnington Road, Penzance, Cornwall.

Skateboard parks

From the Director of Safety Education, Royal Society for the Prevention of Accidents.

Sir,—It is typical of the distortion which the vested interests in skateboarding are prepared to engage in if the manufacturers, as was suggested on March 31, have indeed attacked RoSPA for suggesting they be involved in financing skateboard parks.

At no time have we asked for 20,000 formally constructed skate-parks. At no time have we asked for complete financing of skate-parks by manufacturers. We have asked for 20,000 small, informal, yet designated areas, using existing facilities, such as parks, unused roads or tennis courts to be provided by local authorities. We have asked that the industry plough back some profits to the development of the sport as a sport (including some large formal skate-parks) rather than continue to have it confused as a road hazard.

It is a nonsense to suggest that it is sensible to have skateboards used as tranport on public roads by children—unless all laws of transport are applied to them.

David Larder.
The Royal Society for the Prevention of Accidents.
*Cannon House,
The Priory Queensway,
Birmingham.*

A relaxing whisky

From the Managing Director, House Information Services

Sir,—I have the thought that your columnist, Joe Rogaly (April 4), seeks merely to provoke by the comments he so lightly and frequently tosses to readers—and his latest teasing has certainly provoked me.

Raise the tax on whisky, he says, then skips lightly on to his justification, "There is no doubt about the harmful effects . . . of alcoholism."

It will hardly interest Mr. Rogaly to be told what he already knows—that most people who enjoy and benefit from a relaxing whisky never become alcoholics.

A Barrie.
House Information Services,
*1, Cresswell Park,
Blackheath, S.E.3.*

Allowances on tax

From Mr. R. Holland.

Sir, — Mr. Weston's letter (April 3) on tax incentives to increase employment in domestic service is superficially good. It is, however, quite likely that such a proposal would increase unemployment. Since the current generation of domestic help is apparently averse to declaring its earnings, the group most likely to benefit in numbers employed would be the "au pairs"; as most are from overseas there would be little direct employment creation for U.K. citizens. In addition, the ability of many young families to afford tax deductible "au pairs" would result in an equivalent number of "liberated" mothers presenting themselves for work in addition to those already competing for jobs. With more people competing for the same number of jobs the number unemployed must increase. This would apparently make your correspondent's proposal have the opposite effect to that suggested.

My proposal to increase employment via household expenditure would be to make energy conservation expenditure free of VAT as well as tax deductible. There would be a job-creating effect, and a saving on our balance of payments. The hard-pressed building industry would benefit, and we should be able to save some of our precious reserves of North Sea gas and oil for our grandchildren. I would expect the Chancellor of the Exchequer to support this proposal in next week's Budget rather than the employment of more "au pairs," and he certainly does not have extreme Left-wing views.

Richard Holland.
*30, Crespigny Road,
Hendon, N.W.4.*

Air and rail transport

From Mr. A. Scott.

Sir,—If Boeing is intending to build a successor (757) to the 727 (April 4), it is optimistic to think that we can compete. We should join the project and supply the Rolls-Royce engines, meanwhile seeking an alternative requirement to satisfy.

As for the projected Chunnel (April 4), this would reduce the load on London's airports. Berne gauge could permit an interchange point the other side of Maidstone, where the M20 and the railway are close together. There, for night travel, could be loaded Continental sleepers, containers and Motorail. One tunnel, between Ashford and Folkestone, would need to be enlarged. M20 will connect with M35 orbital motorway. Cannon Street is a modernised, under-used London terminal which might be suitable for day trains.

A. H. Scott.
*102, Beeches Road,
Chelmsford, Essex.*

Deprived of liberty

From Mr. D. Bethlehem.

Sir,—Many people were disquieted when the closed shop became official Government policy. We now have the National Union of Railwaymen planning a witch hunt against members of the National Front, aimed at depriving members of this lawful political party of their livelihood. Liberty implies the liberty to say things which are not popular, and tolerance means accepting the existence of behaviour of which one does not approve. The NUR is acting from the best of motives. But reflect—if there is an inquisition against members of the NF now, soon the union will be seeking to expel others whom it honestly regards as undesirable, members of the Socialist Workers' Party, perhaps? Jehovah's Witnesses, perhaps? Members of the NUR suspected to be lukewarm in support of its policies, perhaps?

I have no love for the National Front. Certainly the Race Relations Act should be much more resolutely enforced. But for the sake of liberty, which is the greatest feature of this country, thhis move must be stopped before it starts.

Douglas Bethlehem.
*23, Primley Park Avenue,
Leeds.*

To-day's Events

GENERAL

New State Pension Scheme comes into operation.

Mr. Christopher Tugendhat, EEC Commissioner, is guest speaker at Building Societies Association luncheon, Café Royal, W.1. 1 p.m.

Mr. Eric Varley, Secretary for Industry, addresses annual conference of the British Council of Productivity Associations, 8, Southampton Row, W.C.1.

Sir Ieuan Maddock, Secretary of the British Association for the Advancement of Science, lectures on the challenge of the future in electronics, Institution of Electrical Engineers, Savoy Place, W.C.2, 5.30 p.m.

Announcement by British American Tobacco on U.K. cigarette launch.

Confederation of British Industry holds first regional conference in Cardiff entitled Wales into the Eighties.

Annual meeting of Yorkshire County Association of Building Societies, Queens Hotel, Leeds.

Meeting of International Civil Aviation Organisation continues in Montreal.

Professor J. P. Stein, University College, speaks on "The Mind of Nietzsche," British Academy, Burlington House, W.1, 5 p.m.

Lord Mayor of London presides at Court of Common Council, Guildhall, E.C.2, 1 p.m.

National Union of Students conference continues, Winter Gardens, Blackpool.

PARLIAMENTARY BUSINESS

House of Commons: Independent Broadcasting Authority Bill, second reading. Co-operative Development Agency Bill, second reading. Motion on EEC documents on freshwater fish and shellfish.

House of Lords: Housing (Financial Provisions) (Scotland) Bill, commitee stage. Conservation of Wild creatures and Wild Plants (Amendment) Bill, committee stage. Import of Live Fish (Scotland) Bill, committee stage.

Select Committee: Expenditure: Social Services and employment sub-committee. Subject: Employmen and training. Witnesses: Liverpool District Council and representatives of other Merseyside organisations. (City Hall, Liverpool, 10 a.m.)

COMPANY RESULTS

Bowater Corporation (full year). Cadbury Schweppes (full year). London Brick (full year). Morgan Crucible (full year). Taylor Woodrow (full year).

COMPANY MEETINGS

Berisfords, Congleton, Cheshire, 11. General Funds Investment Trust, Regis House, King William Street, E.C., 12.30. Hoover, Perivale, Middlesex, 10. Law Debenture Corporation, 86, Gresham Street, E.C., 11. Peachey Property Corporation, Winchester House, E.C., 11. St. Andrew Trust, Edinburgh, 11.30.

COMPANY NEWS + COMMENT

W. H. Smith up £4.6m.—sales top £390m.

ON SALES AHEAD from £324.06m. to £393.79m. taxable profit of W. H. Smith and Son (Holdings) jumped from £15.63m. to £20.17m. in the year to January 28, 1978.

The directors say retail sales for the year rose 23.4 per cent., benefiting from the additional space added in the past two years and from Jubilee merchandise sales in the early months.

Christmas trading, although slow in starting, was ultimately satisfactory, while wholesale sales increased 18.9 per cent. For the first time in recent years there was a small increase in the sales volume of newspapers, magazines and periodicals.

After tax of 8.19m. (£3.77m.), minorities of £5,000 (£12,000) and extraordinary credits nil (341,000), attributable profit is £11.98m. (£12.19m.).

	1978 £000	1977 £000
Sales	393,786	324,063
Depreciation	3,082	2,733
Profit on sale of props.	1,010	410
Profit on deb. redemp.	293	32
Goodwill written off	432	272
Pension contributions	1,478	1,226
Net interest receivable	644	530
Assoc. losses	338	320
Profit before tax†	20,172	15,627
Tax	8,190	3,771
Net profit	11,982	11,856
Minorities	5	12
Extra-ord. credits	—	341
Leaving	11,977	12,155

† 1976 restated for ED19.

The tax figure includes corporation tax of £8.11m. (£3.6m.), deferred timing differences of £33,000 (£3,000 credit), overseas tax of £181,000 (£247,000) and double tax relief of £134,000 (£71,000).

The group has used ED 19 to determine tax, and if the previous policy had been applied tax would have been £10.07m. (£8.49m.), and earnings per 50p share would have declined from 14.1p (14p) to 11.9p (8.4p).

The final dividend of 1.489p compared with 1.333p last time takes the total to 2.1995p (1.951p) on capital increased by the three-for-two scrip issue which followed the splitting of the £1 shares into 50p units.

A valuation of properties at open market value on an existing use basis produced a value, in the directors' opinion, of £53.99m. compared with the book figure of £44.1m. This has not been incorporated into accounts.

The company is a distributor of books, newspapers, stationery, etc.

● comment

Smith's 29 per cent. profits rise is a shade under outside estimates. New stores, adding around 5 per cent. to selling space, accounted for virtually all the volume growth in retailing, but wholesaling saw an increase in *volume for the first time in years.* Newspaper sales were slightly up while magazines and periodicals were ahead 5 and 3 per cent. respectively. Also cover price rises helped to boost margins while costs, particularly wages, were *held down. Overseas* the Dutch operation is still disappointing and in Canada profits were only maintained in sterling despite an increase in the number of stores from 39 to 50.

This year the wholesaling side has obviously been hit by the recent dispute and price increases are unlikely to be repeated on the same scale as 1977—and profits growth is bound to be small. *Moreover, price inflation in the retail division is likely to fall in* 1978 so margins could come under attack on both sides of the business. The retail selling space will be expanded by around 8 per cent. but prospects are *overshadowed by the uncertain time-scale of a recovery in consumer* spending. Overall profits growth will be much slower this year and after the recent good showing by the shares—they have outperformed the market by 5 per *cent. over the past 12 months—the* action is probably all over. At 157p the yield is 2.1 per cent. and the p/e is 11.

HIGHLIGHTS

Profits at BICC evidently pleased the market with the shares 10p higher and this mainly reflects the cable side where profits have held up better than expected following a reasonable year for Post Office orders. In contrast, figures from Consolidated Gold Fields are disappointing, with profits only £6m. higher, all of which came from Amey Roadstone. Both Phoenix and Sun Alliance found the going tougher in the final months in underwriting and the overall figures are slightly disappointing. *Lex also takes a look at the latest* developments in the Hepworth/H. R. Johnson-Richards Tiles merger, following the rejection by the JRT Board. W. H. Smith has turned in a 29 per cent. profits gain which is below expectations, reflecting a lack of volume growth in retailing, although the wholesaling activities managed to show some growth for the first time in a number of years. *Black and* Edgington has continued the strong growth trend, reflecting the buoyancy in its two main markets, protective clothing and leisure.

Carrington Viyella prospects

Current trading for Carrington Viyella in the U.K. was showing a continuation of rather depressed conditions since the beginning of the year, said Mr. L. Regan, chairman, at the AGM yesterday.

However, the garment companies are reporting a much improved forward order position for deliveries in the second half. Likewise, household textiles, which are sold direct to retail, were finding more encouragement in the trading prospects from the middle of the year onwards.

Overall Mr. Regan considered that indications received from *areas of the business closely concerned* in selling direct to retail, together with the forecasted increase in consumer spending, suggested that "we have grounds for some optimism for 1978."

Over £1m. profit at Hiltons

AS FORESHADOWED at halfway, when lower profit of £205,371 against £229,248 was reported, Hiltons Footwear recovered in the second six months to end the year to January 27, 1978, with a record pre-tax figure of £1,094,884, compared with £793,107. Turnover advanced from £7.96m. to £9.41m.

From stated earnings per 20p share of 13.11p (8.86p) the dividend total is lifted to the maximum permitted 4.835p net, with a 3.7p final, compared with 4.3981p for all 1976-77, which included a special 0.0491p on ACT reduction. In the event of a change of tax rate in the coming Budget, the directors say the final will be amended to the permitted maximum as it then applies.

The result was before tax £538,521 (£430,643) and an extraordinary credit last time of £41,570. Retained profit emerged ahead from £226,439 to £335,674.

● comment

With first half profits down some *10 per cent.* it took a price increase coupled with higher autumn and Christmas sales to enable Hiltons Footwear to more than offset the interim shortfall; both sales and pre-tax profits on the year were at peak levels. The *18 per cent. rise in sales largely* reflects the price increase because volume overall was maintained at the previous year's level. But the second half figure reflects a growing preference for higher-priced shoes with an improvement in *"back-to-school" children's shoes* trade and the slippers business over Christmas. Strong post-Christmas sales tend to suggest that the company may look forward to some volume growth this time while further price increases seem inevitable. The shares rose 3p yesterday to 76p, which yields an attractive 10.3 per cent. and a p/e of 5.5.

Unicorn Industries tops £6.6m.

MARGINAL growth in second-half taxable earnings from £3.93m. to £3.01m. was achieved by Unicorn Industries, taking full-time profit for 1977 up 31 per cent. to a record £6.63m., against £5.07m. Sales by the hard materials group were 18 per cent. higher at £65m., compared with £55m.

The second six months traditionally have a larger holiday content than the first, and, in addition, the hoped-for upturn in the world's principal economies failed to materialise says the chairman, Mr. B. G. Ball-Greene.

If the sterling exchange rate had remained constant throughout the year the overseas companies' profits would have been £200,000 higher and sales £2.7m. better, the directors say. *Almost all the change taking place after June 30.*

Stated earnings, per 25p share, were 13.8p (11.3p) on the weighted average in issue, or 13.5p (11.1p) as at year end. The net total dividend is lifted to 5.428p *(4.9077p) with a final of 3.4759p.*

A number of factors will influence the outcome of the company's operations in 1978: the level of demand, the need for certain units to improve their profitability, the ability to *maintain adequate supplies for diamond* merchanting, and the integration of new acquisitions into divisional and central management systems, Mr. Ball-Greene comments.

Present indications suggest that *management action alone may not* be able to generate a significant profit increase in the short-term without an improvement in the level of demand, of which there is no sign so far, he adds.

	1977 £000	1976 £000
External sales	64,572	54,957
Trading profit	6,669	5,135
Share of associates	923	929
Interest	986	990
Pre-tax profit	6,626	5,074
Tax	3,276	2,368
Net profit	3,350	2,706
To minorities	113	110
Attributable	3,237	2,596
Dividends	1,291	1,147
Retained	1,946	1,449

● comment

Of the £200,000 deduction from profit caused by currency movements during Unicorn Industries' last financial year, £174,000 came in the second half. Profits in this period were only marginally higher. The group is an intensive user of working capital and stock profits, against a background of falling inflation, have not worked in the group's favour this year. These factors, together with the holiday period and depressed world demand, pegged the year advance in pre-tax profit to 31 per cent., compared with a first-half jump of 69 per cent. Volume sales of grinding products have remained flat throughout the year, and the 18 per cent. advance in the overall sales figures is virtually all accounted for by price increases. On the trading front Universal Grinding has fared better in the U.K. although it still earns below the group's average return on capital. But diamond merchanting has been hit by currency movements. For the current year the group will be supported by first-time contributions from a number of acquisitions. The share price of 82p on a p/e of 6.4 could be forgetting this. The yield is 9.3 per cent.

Potato surplus hits J. England

AFTER INCURRING a second-half deficit of £65,975 against a £512,536 surplus, pre-tax profit for 1977 of J. E. England and Sons (Wellington), the potato, grain and produce group, was more than halved from the previous year's record £1,114,938 to £459,119, on turnover down £1.81m. at £35.52m.

At midterm, when announcing a reduced profit of £516,094 (£602,502), the directors said that second-half profit would not match last year's exceptional figure, but it was hoped to produce satisfactory results.

They now report that over the years the company has built up substantial reserves and they are confident of the long-term future, despite the current difficulties of the potato trade.

Although the contribution is still relatively small, the company continues to expand its grain trading and the directors believe there are further profitable opportunities in this field.

A final dividend of 1.05662p (0.941p) raises the total from 1.271p to the maximum permitted 1.41962p net, from stated earnings of 4.39p (10.47p) per 5p share.

Full-year profit was before tax £225,677 (£589,786) and an extraordinary debit this time of £13,000. The amount retained dropped from £459,789 to £133,711.

Headway at Whittington Engineering

Including interest receivable of £12,346 against £16,501, taxable profit of Whittington Engineering Company improved from £134,297 to £169,420 for 1977, on turnover up £0.18m. at £1.09m.

Tax takes £75,126 (£75,356) and earnings are given as 11.8p (9.9p) per 25p share. The total dividend is stepped up from 3.968p to 4.389p net, with a 2.739p final.

TAVENER RUTLEDGE

Mr. Anthony Hyde, chairman of Tavener Rutledge, the Liverpool based sweet manufacturer, told shareholders at the AGM that group pre-tax profits for the first half of the current year were likely to be well down on the same period a year ago.

He said that trading during the first three months had lagged behind, but that problems on sales and margins were only temporary.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
A. B. Electronic ......int.	2	Jun. 8	1.5	—	4.04
BICC	4.8	July 3	4.36	7.05	6.61
Black and Edgington	2.47	July 3	2.25	4.47	4
Boosey and Hawkes	3.38	May 30	3.04	5.08	4.59
Cons. Gold Fields ......int.	3.19†	May 31	2.9	—	8.23
J. E. England	1.06	Jun. 12	0.94	1.42	1.27
Hiltons Footwear	3.7	Jun. 1	3.19	4.86	4.4
Robert McBride	2.45	—	2.19	4.9	4.39
North Atlantic Secs. ...int.	1.25§	May 22	1	—	2.7
Phoenix Assurance	5.77	July 3	5.17	10.35	9.35
Provincial Insurance	10.84‡	—	9.7	19.75	17.81
W. H. Smith	1.49	July 3	1.33	2.2	1.95
Sun Alliance	10.15	July 6	9.25	20.15	18.19
Tilbury Contracting	14.04	May 31	11.92	20.04	17.92
Unicorn *Industries*	3.48	May 26	3.11	5.43	4.91
Whittington Eng.	2.74	May 26	2.31	4.39	3.97
Wombwell Foundry ...int.	0.34	—	0.34	—	1.19

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § To reduce disparity.

Black & Edgington at record £2.7m.

WITH A NEWLY acquired caravan subsidiary contributing £380,000, pre-tax profit of Black and Edgington, caravan and workwear group, was lifted £0.9m. to a peak £2.7m. in 1977.

Turnover for the year was £37.9m. (£26.3m.), and at halfway when profit was up from £0.81m. to £1.19m., a satisfactory overall improvement was forecast.

Mr. Robin Duthie, the chairman, says trading in most areas of the group was good and although the retail side had an extremely difficult year owing to the drop in consumer spending, exports compensated with a substantially increased contribution.

The workwear division continued its progress and the industrial textile side did well.

The newly acquired caravan division, after a good start, found *second half sales rather flat in* the area of static vans. But its new development in touring vans was well received and the motor caravan range is selling so well that the company is building a specialised factory for this *product.*

Mr. Duthie says that despite the obvious uncertainties of the general economic climate in the U.K., there are signs that consumer demand in its retail shops is improving.

Given even mildly favourable conditions, he is confident that with a full year's contribution from recent acquisitions and the expected improvement in the other areas of the group, a *substantial improvement in both* turnover and profit should be achieved in the current year.

Black and Edgington has recently made three acquisitions totalling £1½m. The workwear division bought a Dutch company for £375,000 and Johnson and Sons of Great Yarmouth for £610,000, while the industrial division acquired the London-based C. Groom for £620,000.

The profit for the year includes *associate contributions of £143,000* (£89,000) and is subject to tax of £1.4m. (£0.83m.).

Earnings per 50p share are shown at 8.2p (7.61p) and a final dividend of 2.4676p takes the total to 4.4676p net against 4p, adjusted for the one-for-one scrip issue.

● comment

Black and Edgington's near 50 per cent. profits rise continues the impressive trend of the past decade. The company is now firmly established in two growth sectors—protective clothing and, with the acquisition of A-Line Caravans, the leisure industry. Even excluding A-Line, profits are 38 per cent. higher. In the important camping division, lower consumer spending hit the retail side but manufacturing more than compensated by gaining market share, and overall sales were up by a fifth. Meanwhile, protective clothing (20 per cent. of sales) is continuing to ride high on the back of government legislation and volume sales jumped by at least 30 per cent. Exports, too, provided a useful increase to £6m. (£5m.), with £2m. coming from A-Line. Meanwhile the luggish retail side (around 15 per cent. of group sales) is beginning to show signs of revival in line with increased consumer spending while Groom, and the Dutch acquisition should pitch in at least £0.3m. in the current year. At 106p the shares—on a p/e of 12.6 and a yield of 6.5 per cent. —are clearly anticipating further growth.

L. Ryan gets requotation

The quotation is restored for L. Ryan Holdings this morning.

The 5p shares were suspended in 1975 at 6p and the group was placed in receivership. Plans were established to repay creditors in full over a five year period and the group came out of receivership last December.

In addition £300,000 has been injected into the company including about £500,000 from the Welsh Development Agency by way of a loan. The balance is represented by new equity sold at 6p a share.

Pre-tax profits before minority interests amounted to £1m. in 1977 on sales of over £10m.

Overseas downturn holds back BICC

AT THE time of the offer for Dorman Smith the directors of BICC warned that the second half of 1977 was unlikely to show any improvement and in the event profits, before tax, for that period emerge little changed at £23.3m. against £22.7m.

This leaves the group total for the year 8.4 per cent. ahead at £47.12m., a better overall trading performance in the U.K. more than compensating for a further decline in overseas profits.

After a low tax charge, and minorities, etc., earnings attributable to Ordinary holders come through 43.7 per cent. higher at £19.2m. with earnings per 50p share showing an increase of 35.7 per cent. at 13.16p.

The dividend is raised from 6.61p to 7.05p net, with a final of 4.8p.

At a Press conference yesterday Mr. Charles Broughton Pipkin, chairman, said that he hoped that the current year would be a little better than 1977 but an upturn in world trade would be of "very considerable benefit."

Because of the stronger pound exports were becoming harder to get. The group was still getting the business but there was not the same rate of growth.

Profits from BICC Cables showed an increase from £6.4m. to £8.99m. in 1977. The improvement would have been even greater but for the closure costs connected with the shutdown of Scottish Cables at Renfrew. Operating losses at that company were put at £858,000. The chairman declined to put a figure on the closure costs but these were said to be "not inconsiderable."

Pre-tax profits of BICC International were down from £29.58m. to £24.07m. after a fall from £14.15m. to £12.47m. in the first six months. At the interim stage the directors explained that the major part of the reduction occurred in South Africa and Canada.

	1977 £m.	1976 £m.
Group sales	997.8	898.4
U.K.	419.5	377.5
Exports	212.7	165.2
Overseas	365.6	355.7
Divisionally:		
Balfour Beatty	243.8	213.4
BICC Cables	375.9	320.1
BICC Indus. Prods.	82.5	63.7
BICC International	295.6	301.2
Operating profit*	55.485	50.248
Finance charges	8.361	9.764
Pre-tax profit	47.124	43.484
Balfour Beatty	10.040	6.429
BICC Cables	8.992	6.400
BICC Indus. Prods.	4.024	1.857
BICC International	24.068	29.578
Taxation	21.059	23.004
Net profit	26.065	20.480
Minorities	6.770	7.020
Attributable	19.295	13.460
Preference divs.	0.099	0.099
Attributable Ordinary	19.196	13.361
Ordinary divs.	10.406	9.579
Retained	8.790	3.782

The 1976 results exclude extraordinary losses on investments of £5.913m. * After depreciation of £18.86m. (£19m.).

The operating profit includes share of profits less *losses* of associated companies as follows: General Cable Corporation £1,946,000 (£1,724,000) and other associates £5,029,000 (£4,757,000). The share of profits of General Cable continues to be restricted to the pre-tax equivalent of investment income receivable. Pre-tax profits thus excluded amount to £1.242m. (£0.829m.).

The performance of Dorman Smith has been included in the group accounts from November 16, 1977. As a result operating profit has been increased £0.393m.

U.K. taxation—£8.56m. (£5.56m.)—has been reduced by £0.894 (£0.504m.) being the full benefit of regional development grants receivable on U.K. capital expenditure incurred during the year.

The write back of advance corporation tax is due to increased U.K. profits on which a greater amount of U.K. deferred tax arises offsetting ACT in the balance sheet. Accordingly £0.89m. was written back in 1977 out of the total amount of £2.8 written off in 1975 and 1976. A balance of £1.96m. is available to be written back in future years dependent upon the level of U.K. profits and dividends.

The overseas tax charge has been reduced by stock relief in Australia and by prior year losses offsetting 1977 profits.

ED 19 has not been adopted and the group continues the more conservative policy of making full provision for deferred tax. If no such provision were made the tax charge would be *reduced* by £1.81m. (£1.79m.).

On a "nil distribution" basis earnings per share would be reduced by 0.61p (increased by 1.01p). The impact of not providing for deferred tax would be to increase earnings per share by 1.33p (1.12p).

As a result of translating the performance of overseas companies into sterling at year end rates of exchange, 1977 published figures have been reduced by the following amounts: sales £40.1m.; pre-tax profit £3.2m.; and earnings per share 1.09p. The major part of the above movement arose in the second half of 1977.

At December 31 net current assets stood at £110m. (£118m.) and are after deducting net bank borrowings and short-term loans of £30m. (£20.2m.). Loans appeared at £54.3m. (£48.8m.).

Shareholders' Funds at £309m. are stated after deduction of intangible assets amounting to £29.7m., of which £14.1m. arose from the acquisition of Dorman Smith and Cohen Bros. (Electrical).

See Lex

Wombwell tops £0.1m. halfway

On turnover up from £1.[illegible] to *£1.43m.* pre-tax profit of Wombwell Foundry and Engineering Company rose from £87,5[illegible] to £105,200 in the six months to January 31, 1978.

Mr. G. L. Bramah, the chairman, says the increase was achieved more by *improved efficiency* than by any pick up in market conditions.

"Orders continue to be scarce and, when available, are won on narrow margins." He expects the full year results to be no less favourable than last year's £241,700.

The interim dividend is unchanged at 0.335p net per share. Last year an 0.8[illegible]p final was paid.

INSURANCE FIGURES

Underwriting boosts Sun Alliance to £57m.

LLOWING A £12.1m. turnround fire and accident underwriting a £1.1m. profit and a £6.6m. rease in investment income to 2m., pre-tax profit of Sun iance and London Insurance pt from £37.8m. to a record 2m. in 1977.

he result also includes long m insurance profits of £2.7m. 1m.) and other income of 2m. (£0.1m.). Fire, accident 1 marine premium income rose m £426.1m. to £465.5m. At half-y, profit was ahead from £21.8m. £30.44m.

he directors say home under-iting showed an overall profit, h several sections of the busi-ss producing improved results. t despite a considerable reduc-n in subsidence claims there s still a substantial under-iting loss on the home personal ount.

Overseas, severe losses in rmany and Holland outweighed fitable results in a number important territories.

Underwriting conditions have tinued to improve in the U.S. d the non-marine business wed a much reduced loss.

The 1975 marine, aviation and nsport account closed with a all loss but it was not necessary make any transfer from the fit and loss account.

Earnings per £1 share are wn ahead from 44.14p to 31p.

A final dividend of 10.154p net or such larger amount as will be allowed if the rate of tax is changed—is proposed, taking the total for the year to 20.154p against 18.187p last year.

	1977 £m.	1976 £m.
Premium income	465.5	426.1
Underwriting transfers—		
Fire, accident	1.1	†11.0
Marine, aviation, transport	—	—
Long-term insurance profits	2.7	2.1
Investment income*	55.2	46.6
Other income	0.2	0.1
Profit before tax	57.2	37.8
Tax	25.3	13.9
Net profit	31.9	23.9
To minorities	0.2	0.1
Attributable	31.7	21.8
Dividends	‡10.0	8.9
Retained	21.7	12.9

† Loss. * After deducting Loan stock interest. ‡ Includes deferred final for 1976.

See Lex

Cornhill pushes up profit

PREMIUM INCOME in the non-life branch of Cornhill Insurance Company, a member of the Thomas Tilling Group, rose by nearly £11m. to £76.4m. in 1977 according to the annual report and accounts. The underwriting profit increased to £381,000 from £218,000 in 1976, with the loss on marine, aviation and transport being halved to £300,000. Investment income rose by nearly 30 per cent. to £7.2m. and shareholders received a profit for the first time from the life fund amounting to £75,000. Overall pre-tax profits rose to £7.7m. in 1977 from £5.9m. previously.

Mr. D. W. G. Sawyer, in his chairman's statement, reports that despite a high level of claims, the motor account showed a satisfactory underwriting profit in 1977, with premium income rising by 20 per cent. Premium rate revisions had been deferred until the beginning of this year. Last year was a difficult one for the fire account, exacerbated by the firemen's strike.

Life business remained buoyant with further substantial growth in regular premium business and term assurance, much of which came from direct marketing. The life fund increased by over £5m. on the year to £34.8m. With-profit policyholders received a bonus for the first time.

Mr. Sawyer reports that although the rate of inflation continued to decline in 1977, the company still needed further support for its capital base. The parent, Thomas Tilling, had therefore put an additional £2.5m. into the company by increasing the capital to £2.55m. from £2.38m. The solvency ratio at the year end stood at 57 per cent.

In looking at the future, Mr. Sawyer warns that underwriting profit will still be difficult to come by and the trading results of insurance companies will depend very heavily on the investment scene. The present levels of profit were still insufficient to sustain the fast growth rates arising from inflation.

Britannic chief hits out at legislation

RONG criticism of the growing lume of legislation and regula-ns affecting insurance company erations is made by Mr. John F. ferson, chairman of Britannic surance in his annual statement 1977.

The insurance industry has ent years of work prior to the roduction of a new State pen-n scheme, much of which had en aborted by governmental cillation. Now this was being placed by the introduction of a heme to grant tax relief on life urance contracts by deductions m premiums. This would be mbersome and expensive to erate, particularly for industrial anch policies.

The introduction of cooling off riods and statements of policy-lders' rights would add further rk and costs without any benefit policyholders.

Mr. Jefferson reports that com-ed life funds increased by m. in 1977 to £347m. Premium ome in the industrial branch mped by £4.4m. to nearly £39m. d the expense ratio in this anch was held at 44.15 per cent. the ordinary branch premium ome rose by nearly £1m. to 6m. and the expense ratio at 37 per cent. was very little ferent from the previous year. pays tribute to the manage-nt on holding these ratios ady and points out that by for ra National Insurance contri-tions, the ratios would have own a modest decrease.

Last year the life funds ested £44.5m. of which £20.5m. s put in equities, including 3m. subscribed to rights issues. Mr. Jefferson welcomes the opportunity of supporting rights issues since it enables the company to provide direct finance for British industry. Over £16m. of new money has been invested in this way by the company over the past three years. He again expressed the company's dislike of take-over bids in general and disputed bids in particular. Although 1977 had been a quiet year, the company still has £3m. to reinvest from bids, mostly from companies of good quality that were difficult to replace.

At the end of the year, the investment spread was £48.7m. in gilts, £78.5m. in other fixed-interest securities, £67.1m. in mortgages and loans, £154.5m. in equities and £7.2m. in property. The market value was in excess of £500m. The total income from life fund investments rose by £4.2m. to £33.7m., the gross rate of interest earning increasing to 10.58 per cent. from 10.02 per cent. This, together with the improvement in investment values, had enabled the company to declare higher bonus rates.

Premium income in the general branch increased last year by nearly £1m. to £6m. The underwriting loss was £481,000 compared with £307,000 in 1976. This deterioration came mainly in the final quarter with a considerable increase in further storm damage claims resulting in an overall loss for the year of over £364,000. The motor account had a loss of £117,000, following a rise in the number of claims. Motor premium rates were increased at the beginning of 1978.

Phoenix held back in fourth quarter

AFTER A static final quarter, taxable profit of Phoenix Assurance Company ended 1977 £11.4m. higher at a peak £35.9m. The general underwriting loss was cut from £9.4m. to £1m., and investment income was up £3.7m. to £35.9m.

After nine months, profit was ahead by the same amount at £27.5m., and the directors say the home fire and accident figures were affected in the fourth quarter by an increase in the amount of fire damage and a higher incidence of motor claims. The marine business produced a loss but the aviation result was satisfactory, they say.

General premium income was unchanged in sterling terms at £323m., but they say that after adjustment for changes in exchange rates there was a growth of some 7 per cent. The previous year's aviation premium figures were distorted by special credits, they add.

The 11.5 per cent. growth in investment income was some 22 per cent. after currency change adjustments.

U.S. results showed an excellent improvement with most classes showing underwriting profits. The statutory operating ratio was 96.6 (107.2).

In Europe, results from Belgium and the Netherlands were poor, while Australia, Canada, New Zealand and South Africa all produced profits.

After tax of £9.4m. (£9.6m.)—which was reduced by tax losses brought forward in respect of U.S. and Australian subsidiaries—net profit was £26.5m. (£14.0m.), and earnings per 25p share are shown at 40.2p against 21.5p.

A final dividend of 5.77p net takes the total to a maximum permitted 10.348p (9.345p).

The geographical distribution of the general business is as follows: U.K. and Ireland, home fire and accident premiums £93.6m. (£00.2m.) and underwriting loss £1.7m. (£1.4m.); Reinsurance subsidiary £19.4m. (£16.8m.) and loss £0.7m. (same); marine—U.K. companies £23.5m. (£21.9m.) and loss £1.3m. (£0.6m.) and aviation—U.K. companies £2.6m. (£5.7m.) and profit £0.5m. (£0.2m.): Total for U.K. and Ireland £140.1m. (£134.6m.) and loss £3.2m. (loss £2.5m.).

In Europe premiums were £53.2m. (£51.0m.) and the underwriting loss £1.1m (£0.2m.): U.S. £65.4m. (£70.2m.) and profit £1.3m. (loss £3.8m.): Canada £21.8m. (£24.7m.) and profit £0.4m. (£0.3m.): other overseas £42.5m. (£42.9m.) and profit £1.6m. (loss £1.2m.).

Phoenix has also declared increased bonus rates on its with-profit life business. The reversionary rate is improved to £5 per cent. of the sum assured from £4.75 per cent. previously. The interim bonus is held at this rate. The terminal rate paid on death or maturity claims will until the end of the year by £0.75 per cent. of the sum assured for each year prior to 1968. The previous rate was £0.65 per cent. for years prior to 1967.

See Lex

Provincial up £1m.

WITH AN increase in investment income—from £4.6m. to £5.77m.—more than offsetting a higher underwriting loss, group profit, before tax, of Provincial Insurance Company showed an advance from £2.25m. to £3.28m. in 1977.

The loss on general underwriting was up from £1.05m. to £1.24m. While the U.K. result was disappointing the directors explain that this is primarily due to the very unsatisfactory experience on household insurance which deteriorated further during the year. Motor business continued to be profitable: while the marginal results achieved in other accounts were caused largely by the November storms and the sharp rise in fire loss wastage during the firemen's strike.

Overseas the company improved upon its previous year's underwriting result and produced virtually a break-even figure despite substantial losses in the Far East and Saudi Arabia.

In marine and aviation the 1975 underwriting year closed with a loss, and the outlook for 1976 and 1977 remains unfavourable, the directors report.

The total reserves expressed in terms of a ratio to non-life premiums provide a solvency margin of 60.4 per cent. (63.0 per cent.).

Earnings per 25p share are stated to be up from 21.40p to 24.91p. The final dividend is 7.1515p net—equal to 10.8357p gross and raising the gross total from 17.8069p to 19.7517p.

	1977 £000	1976 £000
Premium income*	65,647	55,733
General u'writing loss	1,243	1,048
Life profit	70	—
Investment income	[illegible]	4,602
Non-underwrit'g results	[illegible]	93
Interest	455	[illegible]
Other expenses	557	597
Profit before tax	3,385	2,252
Tax, minorities and Pref. dividends	[illegible]	466
Net profit	[illegible]	1,786

New gross life sums assured totalled £35.00m. (£38.04m.). The actuarial valuation in respect of the triennium ended December 31, 1977 showed a surplus attributable to shareholders of £210,000, of which £70,000 has been transferred to profit and loss. A compound reversionary bonus to with-profit policy holders of £4 per cent. per annum has been declared. The interim bonus rate of £3.75 per cent. has been increased to £4 per cent. and a terminal bonus of 10 per cent. of exising bonuses is being introduced.

Barclays chief on Nigeria

NO NIGERIAN public funds have yet been withdrawn from Barclays Bank of Nigeria, Mr. Anthony Tuke, the chairman of Barclays, said in London yesterday.

Nigeria late last month ordered all its Government institutions and public bodies to close their accounts with Barclays Bank of Nigeria in protest against what it sees as Barclays' policy of collaborating with apartheid in South Africa. To the best of his knowledge, Mr. Tuke said, this had not yet happened.

Speaking at Barclays' annual meeting Mr. Tuke gave no indication of any steps by Barclays to persuade the Nigerian Government to reverse its decision, which also involved ordering one-third of the bank's expatriate employees to leave the country within four weeks.

Mr. Tuke said he regretted the decision of the Nigerian Government which owns nearly 52 per cent. of the bank's capital (against Barclays' 40 per cent.). He said that Nigeria appeared to have misunderstood the statement he made in the company's annual report on Barclays' policy on South Africa, apparently taking it to mean that the bank was increasing its investment in that country.

At a meeting that was comparatively peaceful by comparison with those of previous years Mr. Tuke said that Barclays believed in reducing its investment in South Africa—it now had a 64 per cent. stake in its South African subsidiary and this would progressively diminish in accordance with South African legislation and commercial reasons.

But Barclays did not believe in withdrawing totally its investment from South Africa, he said. In his

Mr. Tuke said in answer to a shareholder's question that Barclays had no outstanding loans to the South African government.

Mr. Tuke said that he could not forecast what effect the Nigerian withdrawal of deposits would have on the bank's profits in the next financial year.

See Men and Matters

Slowdown at Boosey & Hawkes

A SLOWDOWN in taxable earnings in the second six months from £1.22m. down to £1.03m. by Boosey and Hawkes left this music publisher, instrument maker and light engineer with full-time profit for 1977 lower at £1.96m., against a record £2.13m. Sales were £0.9m. ahead at £17.9m.

The major causes of reduced profitability were the strength of sterling at year end which affected the conversion of overseas earnings; a shortfall in the group's musical instrument output; and the initial expenses incurred in the company's popular music venture, Mr. Hugh Barker, the chairman, explains.

He adds that at the moment he would not forecast anything better than a moderate year for 1978.

Earnings per 25p share are stated at 24.6p (24.5p) and a net final dividend of 3.375p raises the total to 5.075p (4.5008p).

After tax of £974,000 (£1.12m.) net profit emerged at £987,000 (£1m.). There was an extraordinary debit this time of £235,000 (credit £264,000) relating to exchange losses.

Midterm fall at A. B. Electronic

WITH SALES ahead from £7.84m. to £8.8m., pre-tax profit of A.B. Electronic Products Group tumbled from £280,815 to £154,825 in the December 31, 1977 half year.

A disappointing first half was forecast in the annual report following a strike in the period. Production was disrupted and exceptional overtime had to be worked to re-establish adequate component supplies to customers, directors say.

Also, there was no Regional Employment Premium (£116,000) and currency changes had a detrimental effect, this being aggravated by a 26 per cent. rise in exports.

An improvement in the second half is expected although the beginning of the period was marred by heavy production losses owing to severe weather conditions and certain material shortages.

They say sales potential to European owned entertainment electronics customers is deteriorating rapidly. Substantial costs conitnue to be incurred breaking into new markets, and the group's order books now stand at a record level, particularly fo rthe computer and defence industries. This reflects the considerable investment made in these areas.

Capital spending in the first half rose by 72 per cent., liquidity is ample with a medium term loan having been negotiated, and the long term outlook is encouraging, directors say.

Profit was after depreciation of £252,302 (£259,764) and interest of £81,332 (£83,228) and is subject to U.K. tax of £45,000 (£154,000) and foreign tax of £12,500 (£23,500).

Earnings per 25p share are shown at 2.9p (6.1p) and the interim dividend is stepped up from 1.5p to 2p. Last year a 3.54336p final was paid on record profits of £0.92m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Burns-Anderson, Maynards, Henry Sykes, "W" Ribbons.

Finals: Aberthaw and Bristol Channel Portland Cement, Berwick Timpo, Bifurcated Engineering, Bowater, British Printing, Cadbury Schweppes, Croda International, Grampian Holdings, London Brick, Macfarlane Group, Morgan Crucible, News International, Ofrex, Austin Reed, Taylor Woodrow, E. Upton.

FUTURE DATES

Interims—	
Concentric	May 16
Higsons Brewery	May 5
Serck	May 4
Starrite Engineering	Apr. 12
Finals—	
Associated Biscuit Manufacturers	Apr. 10
Associated Portland Cement	Apr. 12
Bodycote International	Apr. 25
Jerome (S.)	Apr. 13
Laing (John)	May 2
London and Holyrood Trust	Apr. 20
London and Provincial Trust	Apr. 20
Lyon and Lyon	Apr. 11
Portals	Apr. 13
Stag Furniture	Apr. 13
Tolemache & Cobbold Breweries	Apr. 12

Scottish & Continental

For the six months to February 28, 1978, Scottish and Continental Investment Co. achieved a turnround from a £5,898 deficit to revenue of £74,144, subject to tax of £38,695 against £9,531.

The directors state that after a full investigation into various possibilities of bringing the realisable value of shareholders' funds more into line with assets, they consider a scheme for the unitisation of the company in the best interests of shareholders and subject to necessary consents they intend to submit such a scheme to shareholders as soon as possible.

If the scheme is approved, a special dividend will be paid out of net revenue for the period availabl to that date.

Available revenue for the half year emerged at £35,449 (£15,429 loss). Again no interim dividend is to be paid—in 1976-77, there was a single 1.2p net payment from £387,000 pre-tax revenue.

Net asset value at February 28, 1978, stood at 74.6p (67.8p at year end) per 25p share.

G. R. Dawes pays 35p

The liquidator of G. R. Dawes Holdings, the Birmingham based banking and industrial group which went into voluntary liquidation last year, has proposed to make a second distribution of 35p per share, payable April 10.

An initial distribution of £1 per share was made last year. It had been planned to make a larger second distribution of 50p but this was reduced following a formal claim from Duport, under warranty agreements it received when it acquired part of the Dawes business last July.

The liquidator, however, has said that Duport had not provided any evidence that it had suffered loss or damage under the terms of the warranties and indemnities. He has asked Duport to provide proof—if necessary by Court proceedings. It is hoped that a further distribution will be made in six months' time.

LAW LAND VALUATION

In yesterday's report on Law Land it was stated the directors estimate that a valuation of the group's properties held as fixed assets on an open market basis would show a surplus in excess of £13m. over the value of £49,487,832. This should have read £3m.

MINING NEWS

Gold Fields first-half earnings are £15.2m.

BY KENNETH MARSTON, MINING EDITOR

LONDON'S Consolidated Gold Fields mining and industrial group reports a net profit for the six months to December 31 of £15.2m., or 11.85p per share, compared with £13m. in the first half of the year to last June when the 12-month total was £25m. The latest interim is being raised by 10 per cent. to 3.19p net on the capital increased by the end-1977 two-for-nine rights issue.

As forecast at the time of the rights issue, Gold Fields intends to raise its total dividend for the current year to June 30 to 9.0549p on the increased capital. A total of 8.2317p was paid on the old capital for 1976-77.

	Half-year 31.12.77 £m.	31.12.76 £m.
Constn. materials revenue	15.4	8.7
Industrial and commercial	5.8	6.9
Mining	5.8	5.0
Divs. on investments	7.0	7.5
Realisation of invests.*	2.6	2.4
Fees, etc.	3.7	4.8
Total revenue	40.3	35.6
Administration	4.3	4.4
Interest on loan capital	6.6	6.1
Explorn. costs written off	2.1	2.4
Associated share	6.6	5.2
Profit before tax	**33.9**	**27.9**
Group tax	15.8	12.4
Associates tax	0.5	0.7
Net profit	18.4	14.8
Outside holders	3.2	1.8
Attributable members	15.2	13.0
Earnings per share	11.85p	†10.39p

† Adjusted in respect of the rights issue in November, 1977. * Less unrealised depreciation.

Compared with the results for the same period of 1976-77, the main change in the latest figures is the advance in revenue from the construction and materials sector to £15.4m. from £8.7m. This largely reflects earnings from the U.K. operations of Amey Roadstone, but it is pointed out that the latter's U.K. production facilities remained under-utilised.

A fall of £1.1m. to £5.8m. in industrial and commercial revenue is explained by the fall in earnings of the Azcon steel business and losses on metal trading activities of the Tennant group. Mining revenue fell by some £800,000 to £5.8m., higher profits from the Australian tin and coal subsidiaries being offset by losses on iron ore and mineral sands.

On the other hand, the share of profit from associated companies rose by £1.4m. to £6.6m. in line with the increased earnings of the 49 per cent. owned Gold Fields of South Africa gold-uranium group which had higher share-dealing profits. Earnings of GFSA should again be higher in the current half-year while prospects for the Gold Fields' construction materials and industrial companies are considered "promising."

It is pointed out that the contribution of Gold Fields to the recently announced R50m. (£30.1m.) rights issue of the new Deelkraal gold mine will be financed from South African resources. Following the latest results, which were considered "mildly disappointing" by the share market, Gold Fields closed 3p off at 77p yesterday.

See Lex

Cost increases perturb Rio Algom

RIO ALGOM, the Canadian arm of Rio Tinto-Zinc, has joined the chorus of local industry criticism directed not only at general economic conditions but at federal and provincial Government tax and regulatory policy.

The directors warn shareholders in the annual report that inflation can cause cost overruns outside the group's control on expansion projects. At the same time inflation "makes it necessary to consider with particular care the desirability of undertaking major new projects that are not required to fulfil current contractual commitments."

Because of inflation, depressed market conditions, high taxation and "the many regulatory uncertainties imposed upon the mining industry," there is a tendency to defer projects which might normally be undertaken, the directors stated.

The annual report disclosed that capital expenditure this year will exceed \$C100m. (£47m.) against a total last year of \$C95.4m., when \$C68.6m. was spent on the Elliot Lake uranium expansion programme. Capital expenditure has increased tenfold over the last five years.

At the end of 1977, contractual commitments for Elliot Lake uranium amounted to 80.1m. lbs. The Quirke project in the area is nearing completion ahead of schedule and below budget, but the group is concerned that Elliot Lake projects may be delayed by "the multiplicity of rules and regulations in respect of the environment" being formed at both provincial and federal levels of Government.

In 1977, Rio Algom had net earnings of \$C42.8m. (£20.1m.) against \$C31.6m. the year before and paid dividends of \$C1.08. In London yesterday the shares were £20.

State joins A\$85m. coalmine development in NSW

THE Government-owned Electricity Commission of New South Wales is to join Ampol Petroleum and Pioneer Concrete Services to develop a large coal mine in the Hunter Valley region of NSW at a cost of around A\$85m. (£52m.), reports James Forth in Sydney.

Production from the new mine is expected to start in 1980 at an annual rate of 5m. tonnes.

It follows a recent agreement between the Electricity Commission and the Japanese group, Taiheyo, to develop a coal mine at Newnes, in NSW.

The NSW Minister for Mines and Energy, Mr. Pat Hills, said the coal would come from an area set asid esome years ago for the power utility to ensure enough coal for electricity generation to last 100 years.

The area had reserves of 1.5bn. to 1.6bn. tonnes of steaming coal and coking coal, of which the new consortium would be allowed to mine a maximum of 200m. tonnes for the export market.

A Japanese company is expected to join the consortium with a 10 per cent. stake. The Japanese group would be the main customer for the coal. Of the remaining interest the Electricity Commission would hold 50 per cent. and the two Australian companies 20 per cent. each.

Mr. Hills emphasised that any profits received by the Electricity Commission would offset the rising price of coal for power generation and would be used to stabilise electricity rates in NSW, rather than increasing the State's consolidated revenue.

CVRD considers titanium mine

VALEP, the phosphates subsidiary of Companhia Vale do Rio Doce, is studying the possibility of a joint venture with a private Brazilian concern and a foreign group to exploit titanium reserves in Minas Gerais, reports Diana Smith from Rio de Janiero.

The venture would demand an investment of \$100m. (£53.5m.) for the first stage to yield an annual production of 60,000 tonnes of pigment, of which 23,700 tonnes would be exported. The import saving would be \$56m. and the exports could gross \$26m.

At present the Brazilian market needs 50,000 tonnes of titanium pigment a year, of which only 22,000 tonnes comes from local sources. Valep analysts estimate the domestic market could grow to 80,000 tonnes by 1980, while elsewhere in Latin America demand could grow to 60,000 tons a year.

Valep has not disclosed publicly its potential partners in the venture, but New Jersey Zinc, part of the Gulf and Western group in the U.S., is known to be in the bidding. It is already giving technical advice.

LONRHO CLOSES SHAMROCK MINE

Lonrho is closing its Shamrock copper mine in north east Rhodesia at the end of May, reports our Salisbury correspondent. The closure decision is not expected to be affected by Rhodesia's 8 per cent. devaluation, although this is likely to help the country's mineral exporters.

Shamrock had a monthly milling rate of 45,000 tonnes, but this was recently cut to 30,000 tonnes because of the weak copper market.

The mine employs about 700 people but Lonrho hopes to find alternative jobs for them elsewhere in Rhodesia.

The Shamrock closure follows cutbacks in production at Wankie Colliery, the Shangani nickel mine and the Inyati copper mine. In January Rhodesian mineral production was reduced 10 per cent. in volume from January, 1977, but the value at \$R19.9m. (£15.3m.) was virtually unchanged, reflecting higher prices.

MONEY MARKET

Unexpected shortage

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Early expectations suggested that there was a further surplus of credit in the London money market yesterday, but this did not prove to be the case, with a modest shortage developing as the day wore on. The authorities gave a moderate amount of assistance by buying Treasury bills from the discount houses.

Banks brought forward surplus balances, Government disbursements were very slightly in excess of revenue payments to the Exchequer, and the market was also helped by a slight fall in the note circulation. On the other hand there was a fairly large net take-up of Treasury bills to finance.

Discount houses paid up to 5¾ per cent. for secured call loans in the early part, but closing balances were found at 3-4½ per cent.

In the interbank market overnight loans opened at around 5¾ per cent., and fell to 4-4½ per cent. at lunch. Rates touched five per cent. in the afternoon, but closed at about four per cent.

Continued nervousness ... the future trend in interest ... concentrated trading in ... shorter end of the money m... while longer term fixed p... rates were marked higher, to ... duce a further steepening o... yield curve. Discount h... buying rates for three-m... Treasury bills remained ... firm, above the trigger poin... a rise in Bank of En... Minimum Lending Rate, alth... any rise in MLR remains un... ahead of next week's Budg...

Apr. 5 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕
Overnight	—	4-5½	—	—	—	4¾	3-5½	—	—
2 days notice	—	—	5¾-5⅞	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—
7 days notice	—	5¼-5⅞	6-6⅛	—	6-6¼	6¼	5¼-5¾	—	—
One month	6 3/16-6⅛	6¼-6⅛	6¼	6¾-6½	6½-6¾	6¾	5¾-6	5⅞-6	6¼
Two months	6 5/16-6 3/16	6⅞-6¾	—	6⅞-6⅝	6¾-7¼	—	6-6¼	6-6 1/16	6½
Three months	7⅛-6 15/16	6½-7¼	6¾-7	7⅛-6¾	7⅛-7½	7⅛	6¼	6 1/16-6⅛	6⅞-6
Six months	7½-7 7/16	7⅞-7⅞	7½-7⅝	7¼-6⅞	7⅞-8	—	—	—	7½
Nine months	8-7 15/16	7⅞-8⅛	—	8⅜-8⅛	8½	—	—	—	—
One year	8 3/16-8 1/16	8⅛-8½	8⅜-8⅝	8½-8¼	8¾	—	—	—	—
Two years	—	—	9½-9⅝	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 10¼-10½ per cent.; four years 11 per cent.; five years 11¼-11½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 7-7⅛ per cent.; four-month trade bills 7½ per cent.

Approximate selling rates for one-month Treasury bills 5⅞ per cent.; two-month 5 15/16 per cent.; and three-month ... per cent. Approximate selling rate for one-month bank bills 6¼ per cent.; two-month 6⅜ per cent.; and three-month 6⅝ per cent. One-month trade bills 6⅝-6¾ per cent.; two-month 6¾ per cent.; and also three-month 6¾-7 per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from April 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 3 per cent. Clearing Bank Base Rate for lending 6½ per cent. Treasury Bills: Average tender rates of discount 5.9982 per cent.

BIDS AND DEALS

Hepworth Ceramic now making direct approach

BY JAMES BARTHOLOMEW

The prolonged bid talks between Hepworth Ceramic and H. and R. Johnson-Richards Tiles have broken down. Hepworth will make its £26m. offer over the head of the JRT Board, direct to shareholders.

A spokesman for the Hepworth camp said last night that the talks had broken down on price, although Mr. John Done, chairman of JRT, was already on record as saying he was against any bid at all.

Last month a group of JRT shareholders claiming to control 23 per cent. of the equity stated its willingness to consider any offer worth more than 125p per share.

In the view of Hepworth, the JRT Board was thereby influenced into believing it should not recommend anything less than 125p per share. Whereas Hepworth considers that the group was deliberately pitching up its so-called "minimum" as a negotiating ploy.

The bid now actually on the table is worth 117½p per share, consisting of 39p in cash and one Hepworth share which was worth 78½p at the close last night. Hepworth's confidence in the price has been reinforced by offers of large lines of stock yesterday at below the bid price. And there were rumours that 100.000 shares had changed hands in the stock market at 111p per share.

Mr. Michael Wright of London Brick said yesterday that he considered the current terms to be too low but had not been approached by Hepworth to discuss the price. But although London Brick might not like the price, it has no further need for the shares.

Its 9.8 per cent. stake was originally bought to create trading links with JRT which had operations overseas. But this idea was put on ice while the Monopolies Commission investigated the brick industry. Meanwhile London Brick expanded overseas independently.

See Lex

QUEENS MOAT

Mr. M. A. Marcus, a director of Queens Moat, said yesterday that he and his co-directors were unaware of any reason for the sudden burst of activity in the company's shares, which put on 4p to 36p in the morning. The shares closed at 33p.

Mr. Marcus said that he was aware that there were all sorts of rumours suggesting potential bidders, but the directors were not engaged with anyone in any talks of a take-over nature.

PURBECK SELLS BORELLI STAKE

Purbeck Group, a subsidiary of Singlo Holdings, sold its entire holding of 70,250 shares in Borelli Tea Holdings for £75,000 on March 22. The purchaser was Williamson Tea Holdings which holds 75 per cent. of Borelli.

The sale by Singlo is part of a policy of reviewing investments acquired through the take-over of Purbeck last year, said a spokesman yesterday. Where appropriate the investments are sold and the funds reinvested in the growing U.K. side of the business.

Singlo was the subject of an unsuccessful take-over bid last year from Caparo Investments.

APPROACH TO KINGSIDE

Kingside Investment Company's shares rose 7p to 55p yesterday after it announced that it had received an approach which may lead to a bid.

At last night's closing price Kingside was capitalised at almost £5m. The last balance sheet, for the year ended December 31, 1977, showed group net assets of £5.2m.

Last year Scottish Amicable Life Assurance increased its stake in Kingside to 14.3 per cent. It said then that its holding was not "strategic," though it did reflect a general interest in the investment trust sector because of the heavy discount. River Plate and General Investment also has a 15 per cent. stake in Kingside.

ST. PIRAN BUYS MORE MONK

Saint Piran, the property development and tin mining group, has again been buying shares in A. Monk and has increased its stake in the Cheshire-based cevil engineering and building group to 23.4 per cent.

Saint Piran, which last July held only an 8.19 per cent. stake in Monk, has bought a further 135,000 shares in the company since February 21 this year—taking its overall holding to more than 2½m. shares.

Earlier this year Monk declined to accept a representative of Saint Piran onto its Board although the tin mining company then held a 20.53 per cent. stake in Monk.

Saint Piran last year raised £2.5m. when it floated off 35 per cent. of its subsidiary South Crofty on the Stock market. Some of this cash has been used to buy Monk's shares; however last December Saint Piran denied that it had any intention of bidding for Monk. Last night Monk shares remained unchanged at 84p.

BLACKFRIARS ENGINEERING

Blackfriars Engineering Company has acquired the business of Bedford and Wills Engineering Company.

Blackfriars is the only entirely British company designing and manufacturing a comprehensive range of granulators for the plastics and other industries. This acquisition will enable the company to co-ordinate the activities of its manufacturing company (Blackfriars Engineering (Midlands)) and its selling company (Blackfriars Rotary Cutters).

In the group's last financial year 40 per cent. of its sales were exported and it currently has a substantial order book.

ESPERANZA TRADE

Esperanza Trade and Transport, the copper, insurance, shipping and international finance group, has made the final payment due on the acquisition of its interest in Transmarcom Acy (U.K.), issuing 49,580 shares, all of which have been placed.

BENN BROS.

Benn Brothers' wholly owned subsidiary The Press at Coombelands is negotiating the sale of its freehold land, factory and office premises at Weybridge, Surrey, to the Ian Allen Group. Benn Bros. is not selling the whole of The Press at Coombelands to Ian Allen as stated in Wednesday's paper.

SHARE STAKES

Vickers: Eagle Star Insurance has increased its holding of cumulative Preference stock to £625,000 (9.11 per cent.).

Drake and Scull Holdings: M. C. Abbott, chairman, has bought 25,000 shares at 24p.

Armour Trust: A. D. Balcombe, director, bought on April 3 25,000 shares at 7p. P. R. Bond, director, bought 25,000 shares at 7p.

Harrisons Malaysian Estates: Genting Highlands Hotel Berbad is interested in 10,732,778 shares (6.42 per cent.).

West of England Trust: Acquired a further 729 Ordinary £1 shares in its subsidiary Tyndall Group, making its interest 38.6 per cent. and has allotted 2,916 Ordinary shares of 25p each in exchange.

RHM pays £1.5m for Swel Foods

Terms have been agreed for Rank Hovis McDougall to purchase Swel Foods Holdings, the Lincolnshire-based dried vegetable manufacturer for almost £1.5m. cash. It has already received irrevocable acceptances from directors and certain shareholders representing 42½ per cent. of Swel's Ordinary capital.

RHM is offering £4.25 for each Ordinary share and 75p for each 5½ per cent. Redeemable Cumulative Preference share.

Swel supplies dried vegetables to food manufacturers and to the catering trade. It showed net assets of £1.17m. in its last balance-sheet. In the year to April 30, 1977, it earned record pre-tax profits of £372,000 on sales of £5.3m. It is a public but unquoted company.

RHM said yesterday that the acquisition will complement its existing catering supply interests represented by its McDougalls Catering Foods which currently buys its dried vegetable supplies from other manufacturers—including Swel.

The directors of Swel, which estimates that the group's pre-tax profits in the nine months to January 31, 1978 (before exceptional items of £26,000 and before costs associated with the offer) were £230,000—compared with £235,000 in the same period last year—are recommending shareholders to accept the RHM bid.

BOVIS

Bovis in launching its new industrial products division has formed a holding company, Wysegroup, which will embrace several Bovis subsidiaries—including Dell Plan t Hire, Hy-Ryder, Tasker and Booth, Wiseman-Woodward, Wyseplan and Wysepower—with a combined annual turnover of more than £20m.

JAMES DAWSON

The offer by J. H. Fenner and Co. (Holdings) for James Dawson and Son has become wholly unconditional, acceptances having been received in respect of 3,707,939 shares (91.91 per cent.). The offer remains open.

Reed forms polythene bag offshoot

The plastics operation of Reed Medway Sacks has become a company in its own right with the formation of Reed Plastic Packaging.

It is the culmination of a six-year period of success during which Reed Medway Plastics has pioneered the manufacture of high density polythene bags in the U.K. It is now a major manufacturer and a regular supplier to most of Britain's largest purchasers of high density polythene bags. Demand has grown rapidly because of their many advantages in terms of strength, hygiene, efficiency of dispensing and costs.

Reed Plastic Packaging has a work force of some 120, including a National sales team of 14 and the output of 35 production lines, currently at the rate of 1000m. bags per year, is worth over £2m.

Three months ago Reed Plastic Packaging announced that it had installed a special high speed bag-on-reel machine and a rotary flexographic printer which has increased through-put by 200m. bags per annum, and further product innovations will shortly be introduced.

Reed Plastic Packaging is part of Reed Group, the European paper and packaging division of Reed International.

Inch Kenneth moving

Inch Kenneth Kajang Rubber proposes to transfer its residence to Malaysia but will continue to be registered in Scotland and its shares will not subsequently attract the investment dollar premium.

The transfer of residence is at the request of shareholders outside the U.K. who control some 65 per cent. of the equity. The company's properties are in Malaysia and shareholders resident there will receive substantial tax advantages.

Shareholders' approval for the change will be sought at an extraordinary meeting on April 27.

Neil & Spencer sees more in first half

Mr. J. J. Boex, the chairman of Neil and Spencer Holdings said at the AGM that the general situation was satifactory and both sales and profits for the current year were in line with budgets.

In the past three weeks the advertising and sales progress on Solarise Equipment was launched and the level of interest had been satisfactory and in line with projections.

Outcome for the full year he said would depend to some extent on general levels of confidence, and/or the success of the international laundry and dry cleaning exhibition in Germany in June. He added, however, that the group anticipated that results for the first half would show a continued improvement over those for the same period last year, when the group achieved pre-tax profits of £281,000 (£129,000).

Greencoat assets cut by big French loss

THE MUCH delayed results of *Greencoat Properties* for the year ended June 30, 1977, reveal losses of £4.76m. on its Grancanal development in Paris. This has cut the net asset value per share to 2.24p. as a direct result of which sanction is being sought to an increase in borrowings up to £15m.

The auditors, in a heavily qualified report, state that the loss must be regarded as reflecting "unsubstantiated assumptions."

The group has now been allowed a limited office development, with just 9,700 squ. metres of space, which is expected to be completed by 1980. No further provisions in France or in Britain are expected.

The Grancanal site was pieced together over several years and planning permission for a major development was obtained in 1972. At that stage the development *stood in the books* at a value of £6.8m. In 1976 the Conseil d'Etat revoked th eplanning consent and construction work stopped.

Mr. E. T. Razzall, chairman, stresses that the development will absorb a high percentage of the group's management and financial *resources until 1980. At the* same time a policy of selective sales in the U.K. will strengthen the group's financial position and enable the group to take advantage of development opportunities as the yarise in the U.K. He believes that the position of the group should now begin slowly to improve.

The directors felt it was appropriate that the value of the Grancanal development as shown in the accounts at June 30, 1977, should reflect their estimate of all the losses incurred as a result of withdrawal of the building permit after taking into account receipt of proposed compensation.

The chairman points out that the reduction in net assets—to £714,000—results entirely from the events in France. As a result of the reduction borrowing limits would be exceeded if borrowings continued at a level necessary to finance current operations. Accordingly an EGM has been called for April 28 to follow the AGM at which it is proposed that borrowings up to £15m. be approved.

Referring to the provision needed to meet the fall in value of U.K. investment properties, the auditors say they are not qualified to express any opinion as to whether the provision of £500,000 is adequate for all eventualities nor is there any independent professional valuation available enabling comparison to be made with the directors' assessment of the realisable value of properties held for sale.

The results for 1976-77 show a turnover of £3.78m., against £5.22m., and a trading profit of £124,000, compared with £206,000. After the Grancanal losses the pre-tax deficit comes through at £4.63m. The loss after tax comes out at £4.73m. (£239,000 profit) to which is debited extraordinary items of £393,000. The loss per share is given at 16.21p (0.75p earnings). There is again no dividend—the last payment was 0.13p in respect of 1975.

Marginal increase at Adnams

Adnams and Co., a close and unquoted company operating as brewers and wine and spirit merchants, produced little changed pre-tax profits of £249,930 for 1977 against £246,757.

	1977	1976
	£	£
Turnover	3,233,474	2,625,651
Rents	64,482	59,268
Interest recd.	20,886	15,675
Deprecn. interest, etc.†	222,903	183,996
Pre-tax profit	249,930	246,757
Tax	128,000	136,100

† Includes provision for maintenance of property and plant, replacement of containers, and interest.

After tax of £128,000 (£136,100) earnings are given as 30.1p (27.5p) per share excluding an increase in the provision for maintenance of property and plant and the replacement of containers.

The final dividend absorbs £39,060 (£35,340) for a total cost of £53,940 (£48,360).

Highland Elec. advance

Pre-tax profits of **Highland Electronics Group** rose by 31.7 per cent. from £193,635 to £254,982 for the six months to October 31, 1977, on turnover ahead by 28 per cent. to £3.19m. The directors says that with demand for the group's products remaining at a high level they expect the *full* year's results to reflect the first half trend and continue the growth pattern of the previous year.

Profit for the 1976/77 year was a peak £429,078, and directors then said that incoming orders were expanding and provided the *present trends continued*, a satisfactory increase in profit was forecast.

The group's wide product range has a ready market, they say, due to its technical quality and reliability. A vigorous development programme of new products will ensure its continuing growth, they add.

Scottish Metropolitan ahead midway

Taxable profit of **Scottish Metropolitan Property Company** rose from £500,914 to £538,995 in the six months to February 15, 1978, on net revenue from properties £136,728 higher at £1,384,247.

Directors says a substantial number of rent reviews fall in the second half of the year. Together with some pre-let developments producing rental income for the first time, this should greatly increase income for the full year. *Net revenues last year totalled* £2.58m.

Interest charges for the period totalled £848,595 (£880,893), management expenses £105,508 (£93,208), while investment income and interest received fell from £227,496 to £108,851, reflecting the lower interest rates prevailing in the six months.

Exceptional credits amounted to £262 (£6,602) and after tax of £261,910 (£223,129), available profit comes out at £379,035 (£347,485). The tax figure includes £35,250 (£5,200) for exceptional credits.

The interim dividend is up from an adjusted 0.81818p to 0.9p. Last year, dividends totalled 1.76673p net per 20p share, adjusted for the one-for-ten scrip issue, on pre-tax profits of £1.11m. The dividend absorbs £268,531 (£244,118).

Directors says the revaluation of properties is progressing and the valuation as at February 16 should be available in late July this year.

Tilbury Contracting makes up lost ground

AFTER A depressed first half, profits of **Tilbury Contracting** recovered to £1.23m. in the second six months taking the total for 1977 up to £2.11m. compared with £1.94m.

This result—just above the record of 1975—is somewhat better than anticipated at the interim stage when the directors warned of a profit below that of the previous year.

The directors now report that all divisions coped successfully in meeting the problems of a year when a reduced workload was available in the construction industry generally.

They point out that outstanding construction orders in the U.K. are 13 per cent. ahead of the position a year ago and overall prospects look a little better than at this time last year.

After tax the year's net profit comes through at £1m. against £0.91m. and earnings per £1 share are stated to be up from 46.88p to 51.51p. Principally owing to the incidence of stock appreciation relief, no mainstream corporation tax will be payable in 1978.

The dividend total is raised by the permitted maximum—from 17.91745p to 20.04079p net, with a final of 14.04079p. If the basic rate of tax is changed in the Budget the final will be reviewed.

	1977	1976
	£	£
Turnover	34,597,858	31,091,998
Profit before tax	2,110,187	1,942,272
Taxation	1,107,736	1,036,195
Net profit	1,002,351	906,077
Extra-ord. item	—	102,272
Dividends	391,315	348,693
Retained	611,066	455,112

The profit figures do not include the results of operations in Nigeria as the present interest in the Nigerian company of 60 per cent. must be reduced during 1978 to 40 per cent.

Roadmaking contracts, amounting to N30m. have been secured and rights acquired to work a quarry for the production of crushed aggregates. Accounts of the Nigerian company for the period from formation to *September 30, 1977, indicate a pre-tax* profit of N230,000 (£193,500), but the company's first contracts are still at a relatively early stage, the directors point out.

The group made significant additional investment during the year—in property and plant in the U.K. (£1.4m.), *in additional work-in-progress* in the U.K. (£1.5m.) and in the build-up of plant and equipment in Nigeria (£1.2m.).

GREENBANK

In yesterday's preliminary report of **Greenbank Industrial Holdings**, the company did not make an allowance for U.S. Federal and State taxes amounting to £147,602 (nil).

Taking this into account, pre-tax profit for 1977 is increased to £2,155,069 and not £2,007,467 as reported.

R. McBride expands to £1.73m.

ON SALES of £9.42m. against £7.26m., pre-tax profit of Robert McBride (Middleton), maker of domestic bleaches, detergents and toiletries, expanded from £1,316,940 to a peak £1,734,179 for 1977. At halftime, the surplus was up by £176,262 to £785,183.

After tax of £914,183 (£699,675), stated earnings rose from 30.9p to 41p per 10p share. A final dividend of 2.4509p makes the maximum permitted total of 4.9018p (4.3886p) net, which absorbs £98,036 (£87,774).

The directors intend to submit proposals for a scrip issue, which would bring the capital more closely into line with shareholders' funds employed and achieve trustee status.

OLD COURT INTERNATIONAL

Unitholders of Old Court International Fund, one of the Guernsey-based funds run by N. M. Rothschild Asset Management, have agreed proposals that the fund should cease to be sterling-denominated and should from April 17 become a dollar fund.

Once the change has been effected, and the portfolio restructured to meet Bank of England requirements, it is anticipated that some 80 per cent. of the total asset will be invested in U.S. securities. As from the beginning of May there will, moreover, be two subscription days in each month, on the 7 and 21.

Stern Osmat makes £0.45m.

ON TURNOVER of £23.22m. against £22.47m., pre-tax profit of Stern Osmat Group, hardware merchant concern, rose from £422,888 to £447,862 for 1977.

The directors say that taking into account a generally anticipated further moderation of the rate of inflation, together with a recovery in consumer demand, outlook for the current year's results is favourable. They add that 1978 has started well with both turnover and profit ahead of the same period last year.

Earnings per 10p share are up slightly from 5.9p to 6p, after tax of £247,403 (£227,905). Dividends absorb £13,420 (same). Stern is an unquoted company and has "close" status.

Strong market for Stone-Platt

A STRONG market position with all its main products is currently being maintained by Stone-Platt Industries and the company's financial position remains satisfactory, Mr. F. G. Hawkings, the chairman, tells members.

At the end of 1977 cash and short term investments were lower at £10.38m. (£15.64m.) and total borrowings were held at £24.4m. representing, net of cash, 23 per cent. of equity.

On sales down at £176m. (£194.7m.) pre-tax profit for the year to the end of December, 1977, slipped to £14.43m. (£15.61m.)—as reported on March 30. The net dividend is lifted to 3.61358p (3.25576p) per 25p share.

Return on capital employed declined to 20.1 per cent. (24.1 per cent.) and assets per share were up at 144.2p (142p).

Spending on product development during the year was £4.5m. and capital expenditure was similar to the previous year at £6.9m., of which £4.2m. was spent in the U.K. Future capital spending at year end amounted to £4.37m. (£2.45m.), of which £2.58m. (£1.18m.) had been authorised but not committed.

U.K. exports during the year totalled £69.6m. accounting for 66 per cent. of the total sales of the U.K. plants.

A geographical analysis of group sales in percentages shows: U.K. 24 (18); other EEC countries 7 (same); other European countries 9 (10); Asia 15 (22); North America 24 (26); Africa 12 (8); South America 5 (6); Australasia 4 (3).

Le Grand Company, Calgary, Alberta, was sold during the period for $C950,000 cash, which was in excess of book value. The operation, which makes pressure vessels for the oil industry, did not fit into the group's future product strategy and the sale proceeds are available for investment elsewhere, Mr. Hawkings explains.

The auditors, Price Waterhouse and Co., point out that the accounts of two American subsidiaries have been prepared on the LIFO method of accounting for inventories, which is contrary to SSAP No. 9. Under the LIFO method the investories which are shown at £5m. (£8.1m.) would have been £2.7m. (£2.6m.) higher.

Meeting, Quaglino's Hotel, S.W., on April 28 at noon.

U.K. ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
1st qtr.	103.2	105.2	112	103.3	216.4	1,330	na
2nd qtr.	101.9	103.0	104	102.5	222.0	1,330	163
3rd qtr.	102.7	103.7	108	104.3	234.2	1,418	151
4th qtr.	101.7	102.6	106	104.4	239.4	1,431	157
Oct.	101.5	102.4	113	102.7	234.2	1,433	153
Nov.	101.4	101.9	109	103.1	236.3	1,433	156
Dec.	102.3	103.4	99	106.9	246.0	1,428	163
1978							
Jan.	102.9	103.0		104.9	241.0	1,419	180
Feb.				106.8	246.5	1,409	187
March						1,400	196

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
1st qtr.	115.8	99.5	106.0	100.5	83.9	104.4	19.9
2nd qtr.	113.3	97.9	105.1	99.0	80.5	99.9	25.1
3rd qtr.	115.2	98.2	104.7	99.7	83.3	100.7	25.4
4th qtr.	115.9	97.6	101.2	99.1	74.8	100.1	20.7
Oct.	116.0	98.0	101.0	99.0	75.0	101.0	24.7
Nov.	115.0	97.0	101.0	99.0	70.0	98.0	21.2
Dec.	117.0	98.0	102.0	100.0	79.0	101.0	16.1
1978							
Jan.	116.0	98.0	104.0	99.0	75.0	101.0	17.5
Feb.							15.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
1st qtr.	115.7	109.1	−947	−505	−800	99.0	10.5
2nd qtr.	118.0	109.8	−764	−364	−745	100.3	14.9
3rd qtr.	124.1	106.4	+ 54	+483	−602	101.0	13.4
4th qtr.	117.9	102.6	+ 45	+351	−657	102.4	20.39
Oct.	119.4	101.3	+ 53	+155	−228	101.7	20.21
Nov.	*115.3*	*98.4*	*+ 68*	*+170*	*−154*	*102.4*	*20.39*
Dec.	118.9	108.1	− 76	+ 26	−275	103.1	20.56
1978							
Jan.	112.6	114.4	−334	−234	−236	105.4	20.87
Feb.	128.7	110.6	+ 84	+184	−202	104.7	20.7
March							20.32

FINANCIAL—Money supply M1 and sterling M3, bank advances *in sterling to the private sector (three months' growth at annual* rate); domestic credit expansion (£m.); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m.	BS inflow	HP lending	MLR %
1977							
1st qtr.	1.3	− 8.8	5.3	−1,857	492	1,008	10½
2nd qtr.	22.7	15.3	5.6	2,040	1,290	1,049	8
3rd qtr.	36.7	14.9	20.3	−473	1,084	1,151	7
4th qtr.	21.3	14.1	8.3	247	1,565	1,184	7
Oct.	35.6	17.0	4.9	336	590	371	5
Nov.	41.5	19.5	6.1	297	554	402	7
Dec.	21.3	14.1	8.3	107	421	411	7
1978							
Jan.	24.4	16.5	13.4	354	388	425	6½
Feb.	21.8	18.5	18.0	412	353	419	6½
March							6½

INFLATION—Indices of earnings (Jan. 1976=100), basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
1st qtr.	112.5	341.5	248.0	174.1	184.7	276.4	61.8
2nd qtr.	114.5	347.7	259.2	181.9	191.1	250.0	61.6
3rd qtr.	116.1	340.5	267.7	184.7	192.1	239.9	61.8
4th qtr.	119.9	330.6	272.1	187.4	193.3	234.20	63.3
Oct.	117.9	333.8	271.0	196.5	192.3	236.38	62.5
Nov.	120.1	329.9	272.0	187.4	192.9	238.34	63.6
Dec.	121.7	328.0	273.3	188.4	194.8	234.20	63.8
1978							
Jan.	121.3	324.9	277.0	189.5	196.1	226.41	66.0
Feb.		323.3	279.2	190.6	197.3	224.86	66.0
March						238.61	61.8

* Not seasonally adjusted.

هكذا من الأصل

Nippon Steel and Mitsui bail out Nittetsu Curtain

BY YOKO SHIBATA

TOKYO, April 5.

[NI]TTETSU CURTAIN Wall Cor[po]ration is to be bailed out of its [wo]rsening financial position by its [joi]nt-venture parents, Nippon [Ste]el and Mitsui and Co.

[T]he move follows on the heels [of] the Fujisash rescue which com[pan]y arranged for relief on its [int]erest payments to major banks [in] February in return for giving [the] banks a major say in plans [to] rationalise operations at Fuji[sas]h Industries and a related [sal]es company.

Nittetsu announced to-day that [it] has been granted a three-year [mo]ratorium on repayment of [pri]ncipal interest to Nippon Steel [an]d Mitsui which, together, have [ou]tstanding loans to Nittetsu of [aro]und Yen 34bn. ($155m.). The [op]eration will be borne 50-50 by [Ni]ppon Steel and Mitsui.

The Nittetsu rescue is a fur[the]r sign of the stalled recovery [in] the aluminium business in Japan. In the early 1970s trading companies and metal firms pushed into downstream operations such as Sash Manufacturing. But to-day one in every five Sash companies operates at a loss. The exceptions are YKK (the zip manufacturer), Toyo Sash and Sankyo Aluminium. Together they take 50 per cent. of the market.

Nittetsu Curtain Wall, the number six producer in Japan, estimates that its cumulative deficit to March 1978 will reach Yen 30bn. and reckons the rescue will effectively cut its interest payment burden by about Yen 2.5bn. a year.

Industry analysts now expect that negotiations will get under way with Mitsui Light Metal Processing Industry another downstream subsidiary of Mitsui, for possible merger of the two companies. Nittetsu executives, however, rule out a merger until the Sash company is back on a profitable footing.

* * *

HITACHI, the electrical machinery maker, estimates that its net profit and sales in the year ended fiscal March 31 levelled off after the gains in the previous year, according to Mr. Akitomo Yoshikawa, a senior managing director.

The parent company made a Y30.358bn. ($139m.) net profit on sales of Y1,295bn. ($5.9bn.) in fiscal 1976, up 56.7 per cent. and up 18.8 per cent. respectively.

Hitachi was able to produce about the same after-tax profit in the fiscal 1977 as 1976 because of rationalisation and new technology developments to cope with the yen's rise and declining orders from overseas customers. Mr. Yoshikawa said.

AP-DJ

Setback at State Bank of India

BY R. C. MURTHY

BOMBAY, April 5.

[PR]OFITS of the State Bank of [In]dia, the largest commercial [ba]nk in the country, fell in 1977. [Th]e decline in published profits [fro]m Rs.77.52m. ($9.1m.) in 1976 [to] Rs.77m., although marginal, is [a] pointer to the shape of things [to] come in the banking industry. The State Bank has shown a [red]uced profit, in contrast to an [ea]rlier consistent increase. [Ba]nks in India are allowed to [ke]ep secret reserves and the [ba]lance sheet may not reflect [th]e true position of their [fin]ances. The fact that the bank [ha]s chosen to show a lower profit [for] 1977 indicates a declining [tre]nd in profitability of banks [in] India for 1977.

The decline in the State Bank's profits is attributed to a sharp rise in the cost of deposits, interest rates on which were raised in May, and to an escalation in the wage and bonus bill. The interest burden has risen by approximately 32 per cent., but the increase in interest earnings on its advances at 28 per cent. has not kept pace.

The 1977 deposit growth of the State Bank was 20.8 per cent., 10 percentage points lower than that in 1976. At the end of 1977, deposits stood at Rs.48.66bn. The outgoing on account of interest payment was higher because of the faster growth of interest-bearing deposits than current deposits, which do not qualify for interest. While current deposits registered a rise of 17.5 per cent. (25.3 per cent. in 1976), savings deposits spurted by 32.1 per cent. (24.1 per cent. in 1976).

Its credit portfolio expanded by only 10.7 per cent. (33.4 per cent. in 1976). The sluggish demand for credit, says Mr. P. C. D. Nambiar in the bank's annual report, is mainly the result of the demand recession in some industries and disruption in production due to power shortage and labour unrest.

Also, the Reserve Bank followed a tight money policy last year.

Malaysia considers banking law change

BY WONG SULONG

KUALA LUMPUR, April 5.

[BA]NK NEGARA, the central [ba]nk, is holding consultations [wi]th the Association of Banks in [Ma]laysia, on proposals to bring [me]rchant banks under the same [la]w and regulations affecting [co]mmercial banks.

With only 12 merchant banks [in] the country, the central bank [fee]ls a separate law for them is necessary and that they [sh]ould come under the 1973 [Ba]nking Act.

In its annual report, the [cen]tral bank expressed dissatis[fac]tion that merchant banks had not put more emphasis on specialised corporate financing and management services, having tended instead to concentrate on the lucrative money market and other fund-based operations.

The proportion of deposits with maturities of six months or less has risen from 55.8 per cent. in 1972 to 85.6 per cent. at the end of last year.

At the same time, the maturity period of loans has lengthened, and the share of term loans with repayment periods of one year and above has risen from 9.3 per cent. of the total to 54 per cent. during the period.

The central bank said this unhealthy trend of merchant banks borrowing short and lending long could well subject the entire banking industry to undue financial and liquidity problems.

In its review of banking performance, Bank Negara also made clear its concern that the unethical practice of bank directors holding substantial interests in other companies, which also received favourable credit treatment, was still common. It warned of possible tough action.

Volkskas in bid talks with Bankofs

By Richard Rolfe

JOHANNESBURG, April 5.

IN A FURTHER move towards rationalisation of the small banks of South Africa, Volkskas has opened negotiations with the small Bank of the Orange Free State (Bankofs) which could lead to a merger of the two.

Volkskas is very much the larger, with 580 branches and a ranking among the big four in the republic while Bankofs, after a programme of closures in recent months has cut its branch network to only nine. The main motive for the merger seems to be that Bankofs, like other small banks, has found the cost of taking deposits to be increasingly uneconomic in relation to low profitability in the current environment.

Bankofs, capitalised at only R2.2m., has moved up 4 cents to 44 cents on the talks. With disclosed net worth of over 100 cents per share, Bankofs could be worth more than current share price depending on the adequacy of its provisions against bad debts. It also holds 20 per cent. of Volkskas's fast growing merchant bank, which is effectively competing with established merchant bankers in corporate finance and private placings.

Metkor seeks balance of Fowler capital

THE INVESTMENT company Metkor, which is controlled by the state steel group Iscor, has moved to tidy up its holdings in the engineering construction industry by a bid for its 59 per cent. owned construction and civil engineering associate Fowler.

Fowler was subject to an offer two years ago from Verolnave, the South African subsidiary of the Dutch shipbuilding group Verolme in 1976 after a sharp fall in profits. The move was widely heralded as divestment by Iscor from the private sector, but fell through because of inability to agree terms.

Since then, Fowler's trading profits have held up reasonably well but substantial provisions have been required on old contracts.

The bid of four Metkor shares for five Fowler values Fowler at 39 cents a premium of 35 per cent. over the pre-bid price. This should ensure a good level of acceptances, bearing in mind the lack of a dividend from Fowler, despite net worth possibly as high as 110 cents.

AUSTRALIAN NEWS

Boral wins control of building group

BY JAMES FORTH

SYDNEY, April 5.

AUSTRALIA'S largest building products group, Boral, has gained control of another building products group, Australian Gypsum, in a lightning, three-day share market operation. Boral had been in the market for Australian Gypsum for some time but up until last Friday it held less than 10 per cent. of the capital, and thus did not have to disclose its hand. In the past three days more than 25 per cent. of the capital has changed with Boral picking up the shares, operating through major sharebroking firm, Potter Partners.

The technique is reminiscent of several recent episodes where control of companies was obtained through share market operations, dubbed as "creeping take-overs." In some cases no formal take-over bid has been made for the remaining scrip leaving minority holders locked in. State governments and the stock exchanges have been critical of some of the tactics adopted and are currently working on proposals for take-over reforms.

Before the heavy buying in Australian Gypsum began the shares were selling around $A1.50. The bulk of the major transactions were booked between $A2.00 and $A2.20, with the market price now back to $A2.10.

Late to-day, Boral made a short announcement that it was entitled to 37.32 per cent. of Australian Gypsum's at the close of trading to-day, which would indicate that it has already laid over in the region of $A20m. ($U.S.23m.). A full takeover offer at the highest price paid —$A2.20—would cost almost $A57m. However, Boral gave no indication to-day whether it would extend an offer to all holders. As it is, the major institutional holders appear to have been quitting their stock while the price was at high levels. The asset backing of Australian Gypsum is only $A1.23 a share and a share price of $A2.20 represents a price-earnings ratio of about 13, on the basis of the indicated profit for 1977-78.

Australian Gypsum makes plaster board and plaster products and insulation products. It would represent a diversification for Boral which is in quarrying, bricks, concrete products, steel reinforcement, pipes, road surfacing and gas supply.

Before Boral disclosed its hands, the directors of Australian Gypsum issued a statement which said they assumed some party had embarked on a creeping takeover raid which could be detrimental to the interests of certain shareholders, in particular the smaller holders. If the buying sought only to obtain a substantial interest, remaining shareholders might find themselves at a disadvantage in relation to future share prices.

Reverse for Myer Emporium

BY OUR OWN CORRESPONDENT

SYDNEY, April 5.

MYER EMPORIUM, Australia's largest department store retailer, suffered a 23 per cent. fall in profits for the January half year and the directors expect a lower profit for the full year. This would be the first reverse in annual earnings for at least the past decade. The result follows a disappointing increase in group sales of only 7.1 per cent., from $A537m. to $A575m. ($U.S.661m.), which failed to keep pace with the inflation rate. Profit fell from $A25.9m. to $A19.9m. ($U.S.22.9m.).

The directors cite a number of reasons for the setback including "greatly curtailed" consumer spending and increased resistance to "big ticket" merchandise and a concentration on necessities and food, and losses resulting from clearance of excess stocks.

Other factors were the Victorian power strike late last year, disruption to Christmas trading by the national elections in December, and rising unemployment.

The Board said that gross profit margins were eroded by increased competition and there was limited scope for further reductions in expenses.

The profit-to-sales ratio dropped sharply from 4.82 cents in the dollar to 3.47 cents in the latest si months.

Moreover, the Board said that retail sales of the group in the third quarter of the current year offered no encouragement of any marked upturn in retail spending.

In these circumstances the present forecast was that profit for the full year would fall short of 1976-77 when earnings rose only 4.5 per cent. to $A44.8m.

The latest downturn comes against forecasts at the annual meeting last December of sales doubling over the next five years and profits reaching $A90m. by 1982. The group is presently involved in a $A250m. expansion programme.

Despite the experience of Myer most major retailers managed to record higher earnings for the first half of the current year, although Waltons and David Jones also reported lower profits.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

French Electric out of red as foreign borrowings increase

BY DAVID WHITE — PARIS, April 5.

THE FRENCH STATE electricity company, Electricite de France (EDF), pulled its way out of the red last year but is still facing serious problems.

Heavy borrowing requirements, which led the company to take up Frs.3.8bn. ($833m.) in new foreign debt in 1977, and delays in France's nuclear power programme were the main preoccupations outlined to-day by EDF's managing director, M. Marcel Boiteux.

EDF showed a net profit of Frs.679m. last year after making a Frs.655m. loss in 1976, when its hydroelectric generating capacity was badly hit by the long summer drought. Hydroelectric output increased by half last year, a result from which M. Boiteux drew some satisfaction, although this was overshadowed by the anti-nuclear campaign which was affecting longer-term plans to reduce production costs.

Two 890 MW nuclear units at Fessenheim, in eastern France, were completed last year, the biggest France had built so far. But M. Boiteux said that public acceptance of nuclear sites "is certainly posing problems" and that procedural delays were adding heavily to costs.

"The size of our investment costs, in the present economic situation, implies limiting the number of big equipment projects undertaken each year, and the quality of service could suffer from an insufficient margin of installed capacity," M. Boiteux warned.

French electricity consumption rose 5.3 per cent. last year. EDF's turnover went up by 14 per cent. to Frs.36.2bn., partly as a result of a 6.5 per cent. increase in electricity rates in April.

EDF is pressing the Government to allow rate increases in excess of the average cost-of-living rise over the next few years in its present financing squeeze. M. Boiteux said its aim was for a 15 per cent. rise this year, although he conceded this might be thought too inflationary.

The cost benefits of nuclear energy would take some years to bear fruit, he warned. EDF would be battling for big increases of this kind at least until 1980. Without these, it would face a financing gap of Frs.70bn. to Frs.100bn. in the first half of the 1980s.

EDF has built up a foreign currency debt of Frs.14bn., a quarter of its total indebtedness. Last year the Government paid in Frs.1.6bn. in new capital and loans, and local loans covered only half its remaining needs.

Contractors lift earnings

BY DAVID CURRY — PARIS, April 5.

TWO MAJOR French public works contractors — Bouygues and SAE—have to-day reported a sharp improvement in earnings.

Bouygues has fulfilled expectations by posting profits of Frs.35.71m. ($23m.) for 1977 against Frs. 16.85m. Depreciation was double its 1976 level at almost Frs.48m. Dividend, before tax bonus, is being lifted from Frs.21.30 to Frs.28.

Group profits came out at Frs.50.16m. compared with Frs.18.2m., depreciation being Frs.77.29m. against Frs.51.4m. Consolidated turnover, excluding tax, was Frs.3bn representing a 35 per cent. improvement.

Gross orders at the year end stood at Frs.6bn. some 35 per cent. up on a year ago.

In 1977 Societe Auxiliaire d'Entreprises (SAE), lifted net consolidated earnings to Frs.60.4m. from Frs.35.6m., an increase of 70 per cent. Parent company net profit was Frs.37m. against Frs.37.9m.

The Board of SAE proposes the distribution of a Frs.30 net dividend, or more than double the Frs.14.90 paid for 1976. Group turnover was Frs.2.82bn. compared to Frs.2.443bn.

Gruner plans U.S. deal

BY GUY HAWTIN — FRANKFURT, April 5.

GRUNER UND JAHR, one of West Germany's largest magazine groups and publisher of the popular "Stern" weekly, to-day disclosed an agreement in principle to acquire the U.S. publishing house, Parent Magazine Enterprises. The planned purchase must be seen as a step forward in a major assault by the Hamburg-based publishing concern on the American market.

A spokesman for Gruner und Jahr—whose sales last year reached DM1bn. ($535m.)—refused to name the purchase price. He said, however, that the turnover of the Parents magazine group last year amounted to about $25m.

If the deal goes through, it will be Gruner und Jahr's second major move in the U.S. this year. A couple of weeks ago, the concern set up its first U.S. subsidiary—headed by Mr. Jim Randolph, formerly of McGraw-Hill—to publish Gruner's big-selling monthly geographical magazine, Geo in North America.

"Geo", has had a major success in the West German market and has a current circulation of some 325,000 copies a month. If

GKN-Sachs appeal will get public hearing

By Adrian Dicks — BONN, April 5.

THE WEST German Economics Ministry confirmed to-day that Guest Keen and Nettlefolds, Britain largest engineering group, has appealed to the Minister, Count Otto Lambsdorff, to allow it to take over Sachs AG, the motor components group.

GKN's DM220m. ($100m.) bid for 50 per cent. of Sachs, of which it already holds 25 per cent., was turned down in February by the West German Supreme Court after the Federal Cartel Office had successfully challenged a lower court's ruling in GKN's favour.

GKN's appeal to Count Lambsdorff does not actually challenge the Supreme Court, which has not yet, in any case, published the full reasons for its judgment. Rather, the company is exercising a right to invoke the Economics Minister's final power of decision in cartel cases, in which he need not necessarily be guided by purely legal considerations.

The next step, according to officials here, will be for the Ministry to hold a public hearing at which all parties will have the opportunity to state their case. This will give GKN the chance to raise arguments about industrial good sense which it is understood to feel were not fully aired in the court proceedings.

After the hearing, the Ministry in such cases draws up its own summary of the arguments and presents them to the Minister *for his decision.* The entire process is likely to take about six months, although Count Lambsdorff himself is well known in Bonn as a Minister loath to let decisions hang fire longer than he must.

The procedure of appeal to the Economics Minister's political judgment is not unprecedented in cartel cases. Out of four major cases in recent years, Deutsche Babcock's takeover of Artos and the Veba-Gelsenberg merger were permitted, though with conditions attached, while the takeover of Kaiser's Aluminium interests by the government-owned VAW Group was turned down. A fourth case, Thyssen's involvement with Hueller-Hille, remains in dispute.

Should the Economics Minister decide against the GKN-Sachs deal, there is at least theoretically further recourse to the courts on procedural grounds.

Fiat unit breaks even

After two consecutive years of losses, Magneti Marelli, the Fiat-controlled eltciracl components company, broke even last year and reported a 25.5 per cent. increase in turnover to L252.3bn., about $306m., writes Paul Betts from Rome. The company effectively reported a small profit of L7m. last year compared with losses of L3.2bn. in 1975 and L1.1bn. in 1976. The turnround follows a Fiat inspired reconstruction programme.

Option trading under way in Amsterdam.

Good first session for EOE

THE EUROPEAN Options Exchange got off to a good start yesterday although business in U.K. options was hindered at first by an apparent lack of co-operation from London, writes Charles Batchelor, from Amsterdam.

Turnover in the nine Dutch, U.S. and U.K. options totalled 531 contracts in the 4¼ hour trading session compared with around 600 contracts recorded in 16 options on the first day of the Chicago Board of Options Exchange in 1973.

Options on Dutch stocks were the most active with 300 contracts followed by 177 contracts for U.K. stocks and 54 for U.S. stocks. U.K. options ended the day the second most active sector after prices on the underlying stocks became available in the last hour of *the session. Up to then business* in U.K. options had been limited to isolated contracts.

Traders and officials complained of a refusal by British jobbers to provide prices in the underlying stocks of BP, GEC and ICI in the first hours of trading. The Swiss firm Telekurs which is contracted to provide the underlying stock prices was receiving inputs of all British stocks except the Amsterdam Options Exchange, Mr. Lubbertus Scholten, director of the EOE said.

The initial refusal of Bri jobbers to co-operate in Amsterdam venture increa the likelihood that a market British stocks will grow here despite a tentative ag ment between the London Amsterdam Exchanges to vent this. A separate quo market in the underly stocks was already in op tion yesterday between ba and brokers in an attempt provide a basis for the EO operations.

A large volume of busi in Dutch stocks was attrib to the active role of Du banks and stockbrokers getting retail orders.

Difficult year for Moeller

BY HILARY BARNES — COPENHAGEN, April 5.

THE AP MOELLER industrial and shipping group turned in a gross operating surplus of Kr.707.6m. ($127m.) last year, an increase of Kr.2.2m. After administrative costs, depreciation, extraordinary items and estimated tax, net earnings were down from Kr.298.2m. to Kr.282.5m.

These figures cover the public companies, Dampskibsselskabet Svendborg and Dampskibsselskabet AF 1912, and their joint shipping partnership.

An unchanged 12 per cent. dividend was proposed for the two companies.

had had a negative effect on earnings.

Gross operating profit in the shipping partnership was up to Kr.574.2m. from Kr.571.7m., including dividend and interest, while administrative costs increased from Kr.84.1m. to Kr.99.1m.

Depreciation was unchanged at Kr.460m. and ship sales brought in Kr.222m. against Kr.217m. in 1976.

The sum available for distribution to each of the two companies was Kr.40m., with Kr.200m. placed in reserve funds and the remainder carried forward.

Heavier loss from Estel

By Our Own Corresponden

ESTEL, the large D German steel group, repor record loss of Fl.416m. ($194m.) in 1977 compared a loss of Fl.69m. the year be This follows a net los Fl.153.5m. in the last quart 1977, making it the worst qu of the year and the worst i company's history.

Estel's results show that pean measures taken to co the steel recession have no the desired effect, it said.

The loss was due to the tinuing decline of prices rolled steel products and t low use of capacity due t poor levels of orders. The duction of rolled steel pro in the final quarter was cent. down on the third qu at 1.98m. tonnes.

The result of the steel cessing division improved i final quarter and a profit made over the year as a wh although this was lower tha 1976 profit. The trading div made a small loss in the quarter. The result of the sifications division was siderably better,

Ciba-Geigy enzyme sale

BY JOHN WICKS — ZURICH, April 5.

THE BASLE chemical company Ciba-Geigy is to sell its Swiss enzymes subsidiary, Dr. Schubert, Dittingen, to Danish-owned Schweizerische Ferment, also of Basle.

The latter company, which belongs to Novo Industri A/S, of Copenhagen, is already active in the same field as Dr. Schubert —fermentation-based industrial enzymes manufacture. The takeover is intended to expand Schweizerische Ferment's activities and there will be redundan*cies as a result.*

Dividend of the Zurich-based investment fund Uniwert for the financial year ended January 31 is to be held at Sw.Fr.3 gross.

The fund's portfolio of shares was reduced during the past business period, with convertible bonds accounting for 23 per cent., straight bonds for 2 per cent. and cash for 8 per cent. of holdings.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	95⅞	96½
AMEV 8pc 1987	96½	97
Australia 8½pc 1992	94½	95
Australian M. & S. 9½pc '92	97½	98½
Barclays Bank 8¾pc 1992	96¾	97½
Bowater 9½pc 1992	97½	98½
Can. N. Railway 8¾pc 1986	97⅞	98⅜
Credit National 8¾pc 1986	97½	98
Denmark 8½pc 1984	100	100⅝
ECS 9pc 1995	98½	99
ECS 8¾pc 1997	95½	96½
EIB 8¾pc 1992	98	98⅝
EMI 9½pc 1989	97½	98½
Ericsson 8¾pc 1989	95½	96¼
Esso 8pc 1986 Nov.	101½	102
Gt. Lakes Paper 8½pc 1984	98⅞	99½
Hamersley 9½pc 1992	99½	100½
Hydro Quebec 9pc 1992	96½	97
ICI 8¾pc 1987	97	97⅝
ISE Canada 9¼pc 1986	103½	104½
Macmillan Bloedel 9pc 1992	96½	97
Massey-Ferguson 9¼pc '91	96	97
Michelin 9½pc 1988	101⅝	102½
Midland Int. Fin. 8¾pc '92	98	98⅝
National Coal Bd. 8pc 1987	94⅝	95¼
National Wstmnstr. 9pc '86	101	101⅝
Newfoundland 9pc 1989	100½	101½
Norges Kom. Bk. 8¾pc 1992	96½	97½
Norpipe 8¾pc 1989	96	96⅝
Norsk Hydro 8¾pc 1992	96	96⅝
Oslo 9pc 1988	101½	102¼
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1993	96½	97
Prov. Saskatch. 8¾pc 1986	99⅜	100⅛
Reed International 9pc '87	92½	94½
RHM 9pc 1992	93	93⅝
Selection Tst. 8¾pc 1989	90½	91½
Skand. Enskilda 9pc 1991	99½	100
SKF 8pc 1987	92⅞	93½
Sweden (K'dom) 8¾pc 1987	95½	96½
United Biscuits 9pc 1989	98½	99½
Volvo 8pc 1987 March	92½	93½
NOTES		
Australia 7½pc 1984	95⅞	96½
Bell Canada 7¼pc 1987	94½	93½
Br. Columbia Hyd. 7¼pc '85	94½	95½
Can. Pac. 8½pc 1984	99½	100½
Dow Chemical 8pc 1986	97	97⅝
ECS 7½pc 1982	96½	97½
ECS 8½pc 1989	95½	96
EEC 7½pc 1982	96½	97
EEC 7¾pc 1984	95½	96½
Enso Gutzeit 8½pc 1984	96½	97½
Gotaverken 7¾pc 1982	97½	98
Kockums 8pc 1983	96½	98
Michelin 8¾pc 1993	99⅝	100½
Montreal Urban 8¾pc 1981	101	101⅝
New Brunswick 8pc 1984	96⅞	97½
New Bruns. Prov. 8¾pc '83	100½	101
New Zealand 8½pc 1980	98½	99
Nordic Inv. Bk. 7¾pc 1984	95½	96
Norsk Hydro 7¾pc 1982	97½	98
Norway 7¼pc 1982	96	96⅝
Ontario Hydro 8pc 1987	96½	97
Singer 8¾pc 1982	100½	101
S. of Scot. Elec. 8½pc 1981	99⅞	100½
Sweden (K'dom) 7¾pc 1982	97½	98
Swedish State Co. 7¾pc '82	97½	98½
Telmex 9½pc 1984	99½	100½
Tenneco 7¾pc 1987 May	93⅞	94½
Volkswagen 7¾pc 1987	94½	95½

STERLING BONDS	Bid	Offer
Allied Breweries 10½pc '90	94½	95½
Citicorp 10pc 1993	94½	95½
Courtaulds 9½pc 1989	94½	95
ECS 9¾pc 1989	96½	96½
EIB 9¾pc 1988	97½	98
EIB 9¾pc 1992	95⅞	96⅞
Finance for Ind. 9¾pc 1987	95⅜	96⅜
Finance for Ind. 10pc 1989	95½	96½
Fisons 10½pc 1987	98½	99
INA 10pc 1988	94½	95
Rowntree 10¾pc 1988	94⅞	95½
Sears 10½pc 1988	94½	95½
Total Oil 9¾pc 1984	94½	95
DM BONDS		
BFCE 5¾pc 1988	100½	101½
BNDE 6¾pc 1986	97⅞	98½
CFE 6¾pc 1988	97⅞	98½
Denmark 5¾pc 1984	100½	101
ECS 5½pc 1990	97⅞	98½
EIB 5½pc 1990	97⅞	98½
Euratom 5¾pc 1987	100	100⅞
Eurofima 5½pc 1988	100½	101
Finland 5¾pc 1986	99	99⅝
Forsmarks 5½pc 1990	99½	100
New Zealand 5½pc 1986	100⅞	101½
Norcem 5½pc 1989	100⅝	101½
Norway 4¾pc 1983	102	102⅞
Philippines 6¾pc 1985	97	97⅞
Sweden 6pc 1989	101⅞	102½
Tauernautobahn 5½pc 1993	100	100⅞
TVO Power Co. 6pc 1988	99	99⅝
Venezuela 6pc 1988	99	99⅞
World Bank 5¾pc 1990	99½	100
FLOATING RATE NOTES		
Bank of Tokyo 1984 7 15/16pc	98⅝	99⅛
BFCE 1984 5¾pc	99½	99¾
BNP 1983 8 1/16pc	99⅞	99½
CCF 1983 8pc	99⅝	100⅛
CGMF 1984 7¾pc	98½	99
Creditanstalt 1984 7¾pc	99⅝	100½
Credit Lyonnais 1982 8pc	99½	100
DG Bank 1982 7 13/16pc	99⅝	100⅜
GZB 1981 8 1/16pc	100⅝	100⅞
Intl. Wstmnstr. '84 7 15/16pc	99⅝	100⅜
Lloyds 1983 7¾pc	100½	100⅞
LTCB 1983 8pc	99⅝	100½
Midland 1982 8pc	101½	101⅞
Midland 1987 7 11/16pc	99	99½
OKB 1983 7¾pc	99⅞	100⅛
SNCF 1985 8¾pc	99½	99⅞
Std. and Chtrd. '84 7 11/16pc	99½	100
Wms. and Glyns '84 8 1/16pc	99⅞	100½

Source: White, Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81½	83
Ashland 5pc 1988	85½	87
Babcock & Wilcox 6½pc '97	93½	94⅞
Beatrice Foods 4¼pc 1992	92	93½
Beatrice Foods 4½pc 1992	104	106
Beecham 8¾pc 1992	95⅞	96⅞
Borden 5pc 1992	98½	100
Broadway Hale 4¾pc 1987	78½	80
Carnation 4pc 1987	76	77½
Chevron 5pc 1988	123	124½
Dart 4¾pc 1987	77	78½
Eastman Kodak 4½pc 1988	82	83½
Economic Labs. 4½pc 1987	77	78½
Firestone 5pc 1988	80	81½
Ford 5pc 1988	88½	90
General Electric 4¼pc 1987	81½	83
Gillette 4¾pc 1987	77	78½
Gould 5pc 1987	108	109½
Gulf and Western 5pc 1988	84	85½
Harris 5pc 1992	146	148
Honeywell 6pc 1986	88	89½
ICI 6¾pc 1992	86	87
INA 6pc 1997	94½	96
Inchcape 6¾pc 1992	108½	109½
ITT 4½pc 1987	78½	80
Jusco 6pc 1992	118	119
Komatsu 7½pc 1990	129½	129½
J. Ray McDermott 4¾pc '87	141	143
Matsushita 6½pc 1990	161	162
Mitsui 7¼pc 1990	138	139
J. P. Morgan 4¼pc 1987	91	92½
Nabisco 5½pc 1988	99	100½
Owens Illinois 4½pc 1987	106½	108
J. C. Penney 4½pc 1987	77	78½
Revlon 4¾pc 1987	103½	105
Reynolds Metals 5pc 1988	82½	84
Sandvik 6½pc 1988	109	111
Sperry Rand 4¼pc 1987	85½	87
Squibb 4¾pc 1987	78½	80
Texaco 4¾pc 1988	78½	80
Toshiba 6¾pc 1992	137½	138½
Union Carbide 4¾pc 1982	92½	94
Warner Lambert 4¾pc 1987	81½	83
Warner Lambert 4¾pc 1988	77	78½
Xerox 5pc 1988	78	79½

Source: Kidder, Peabody Securities.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	4.4.78	28.3.78	AVERAGE YIELD	4.4.78	28.3.78
DM Bonds	108.43	108.29	DM Bonds	6.312	6.306
HFL Bonds & Notes	104.71	104.53	HFL Bonds & Notes	7.471	7.469
U.S. $ Strt. Bonds	100.24	100.42	U.S. $ Strt. Bonds	8.657	8.622
Can.-Dollar Bonds	99.11	99.50	Can.-Dollar Bonds	9.468	9.370

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NORTH AMERICAN NEWS

Curtiss-Wright publishes Kennecott proxy material

BY JOHN WYLES

NEW YORK, April 5.

...CKHOLDERS in Kennecott ...per Corporation are to-day ...ted to support an attack on ...company's assets which ...d, if successful, bring them ...66.26m. windfall. This is the ...l amount which Curtiss-...ght Corporation would dis-...ute if its proxy bid to seize ...trol of Kennecott proves suc-...ful at the company's annual ...ting on May 2.

...itting on 9.9 per cent. of ...necott's stock Curtiss-Wright ...ay sent out a proxy statement ...shareholders containing the ...es of a list of 17 directors ... all committed to selling ...Carborundum company which ... purchased by Kennecott last ...r for $567m.

...f the 17 nominees, 11 have no ...nection with Curtiss-Wright 5 ...outside directors of the com-...y and one. Mr. T. Rowland ...ner is chairman of Curtiss-...ght.

...this battle is bemusing Wall ...et which cannot remember ...thing quite like it. Anaylists ... quoting odds against ...tiss-Wright succeeding but its ...paign is not being laughed ...of court. The possibility can-... be ruled out that Curtiss-...ght may find another ally who might acquire a similar large holding and then back its programme.

Kennecott's stock was up $¾ to $26¼ this morning and a block of 77,500 shares changed hands at that price. Curtiss-Wright's proxy statement makes it clear that the New Jersey aerospace manufacturer is taking its stand on Kennecott managemen's *failure to distribute any of the* proceeds of the $1.2bn. sale of Peabody Coal Company last year. Curtiss-Wright implies that Kennecott instead paid an inflation price for Carborundum.

Curtiss-Wright nominees to the Kennecott Board would, says the proxy statement, consider selling Carborundum for "slightly below" the price paid for it. They would then supplement the sale proceeds with borrowings against the $400m. subordinated income notes received by Kennecott as part of the Peabody sale.

Out of this kitty Curtiss-Wright maintains it would be possible either to distribute $20 per share to stockholders or for Kennecott to make a tender offer for half of its outstanding shares at $40 per share. In both cases the sum distributed would be of the order of $666.26m. Curtiss-Wright favours the tender offer route arguing that pro-rata distribution would leave shareholders open to taxation of dividends as ordinary income while the proceeds of a tender offer could be more favourably taxed as a capital gain or loss.

"Curtiss-Wright's present intention is to seek to have 50 per cent. of its shares (having an average cost of $23.42 per share) purchased in such a tender offer," said the proxy statement.

The tender offer approach would yield $65.4m. to Curtiss-Wright, which paid $77m. for its stake in Kennecott.

Curtiss-Wright says it has not made a detailed study of the consequences of such a programme for Kennecott but it and its nominees believe "that the programme would not result in Kennecott's inability to continue its metals operations or to *finance them.*" *The proxy statement* argues that during the nine years in which Kenencott owned Peabody it contributed $532m. to Peabody's capital. In spite of restraint on Kennecott's resources it was able to continue the operation and financing of its metals business, claims Curtiss-Wright.

New bid for Minnesota Title

MINNEAPOLIS, April 5.

...D REPUBLIC International ...poration and Minnesota Title ...ancial Corporation said an ...eement in principle has been ...ched calling for the merger ...Minnesota Title into an Old ...ublic subsidiary.

...ach of the 1.2m. Minnesota ...e shares outstanding will be ...changed for $28 cash or a ...ber of Old Republic common ...res determined by dividing 28 ...the average bid price for Old Republic shares during the ten trading days before Minnesota Title shareholders vote on the proposal.

The agreement stipulates that Minnesota Title shareholders deciding to accept stock will not receive less than 1.19 nor more than 1.35 Old Republic common shares for each Minnesota Title share.

In mid-March, Gamble-Skogmo said it intended to make a $21 a share cash tender offer for any and all of Minnesota Title shares as soon as it could receive the necessary regulatory approvals.

The directors of Minnesota Title have previously said that they were opposed to the Gamble-Skogmo offer as not being in the best interests of its shareholders or reflective of the worth of the company.

● Gamble-Skogmo said its officials are studying the offer announced by Old Republic.

AP-DJ

...anron sees ...rofit rise

...y Our Own Correspondent

MONTREAL, April 4.

...NRON, THE *Montreal-based* ...onal steel construction pipe ...concrete and plastics products ...up, expects this year to beat ...profit of $C10.4m. ($US9.2m.) ...ales of $C363m. ($US 319.8m.) ...rted last year.

Prudential Canadian deal

BY ROBERT GIBBENS

MONTREAL, April 5.

THE PRUDENTIAL Assurance Company of America is buying *$45m. of long-term bonds of* Ivaco Industries, the Quebec-based manufacturer of steel products, wire, nails and screws, with plants in Quebec, Ontario, Nova Scotia and the north east U.S.

About $20m. is derived from Prudential Canadian policyholder funds and $25m. from American policyholder funds. The Ivaco debentures are 15 years in term and the U.S. portion of the loan will pay 9½ per cent. interest while the Canadian portion will pay 10 per cent.

Mitsui to buy another Cook offshoot

MEMPHIS, April 5.

...K INDUSTRIES has agreed ...sell its Reserve, Louisiana, ...ort elevator and related ...n business to Mitsui (U.S.) ...id not disclose the terms.

...he financially troubled grain ...cern announced last month ...it also would sell its seven ...nd elevators to Mitsui, a unit of Mitsui and Co., the Japanese trading company.

Cook has signed a definitive agreement with Mitsui concerning the reserve elevator, but that the agreement is subject to certain conditions, including approval by Cook shareholders.

Mr Edward Cook, chairman and chief executive officer, and his sister Ms. Phoebe C. Welsh, who together hold about 43 per cent. of Cook's common stock outstanding, and other major holders agreed to vote their shares in favour of the transaction, the company said.

AP-DJ

HONGKONG & SHANGHAI—MARINE MIDLAND

A landmark in international banking

BY STEWART FLEMING IN NEW YORK

THE PROPOSED acquisition of *a controlling stake of 51 per* cent. of Marine Midland Bank by Hongkong and Shanghai Banking Corporation is startling evidence of just how international the world's financial markets have become. A decade ago it would have been hard to imagine how two such disparate institutions could have convinced themselves that they had enough in common to make such a union work. Yet to-day we are looking at what could be a landmark in international banking history—assuming shareholders and regulatory approvals are given. It is probably the biggest merger between banks of different countries ever proposed and the largest acquisition of a major *U.S. bank by a foreign banking* institution ever.

At this stage the ramifications of such a move can only be guessed at. Since 1972 foreign banks *in the U.S. have experi*enced phenomenal growth, their standard banking assets (excluding money market and interbank lending) expanding from $18bn. to $55bn., and total assets to over $80bn.

In New York, still the banking capital of America, foreign banks have over one-third of the total domestic commercial and *industrial loan volume, and in* California the figure is just under one-third. Foreign banks in the last six years have become a real competitive threat to banking giants like Citicorp or *Chase Manhattan in their own* back yard.

Because of this and the privileges allowed to foreign branch banks in their being allowed to bank in more than one state, Congress has been agonising over foreign banking legislation for the past three years. Some proposals Washington has considered would curb *the foreign banks, bringing them* more closely into line with U.S. banking requirements. The Marine Midland-Hong Kong bank proposal seems certain to revive the debate about foreign banking and could well bring forward the day when new foreign banking legislation finds its way through Congress's tortuous processes.

Especially if, as some already predict, the proposal sparks off urgent moves by other foreign banks to expand in the U.S. National Westminster Bank of the U.K., for example, has admitted that it is seeking a *significant acquisition in New* York.

But it is not just in the U.S. that the broad implications of the proposed acquisition by *Hongkong* Bank have to be *con*sidered. One of the reasons undoubtedly why Hongkong Bank has ventured to take such a bold move is that it has been feeling the bite of competition in its traditional oriental markets. The top U.S. banks are now earning well over 50 per cent. of the profits overseas and for some banks, like the U.S. number two, Citicorp, the figure is over 80 per cent. Their invasion of Far Eastern markets through Singapore, the growth of the Asia dollar money markets, and of *international lending generally* in such places as Indonesia all present new challenges to what has been the largest financial institution in the area outside Japan—the Hongkong Bank with its worldwide assets of $17bn. plus. To meet these challenges, Hongkong Bank probably needs a more international financial and managerial base.

If Marine Midland shareholders approve and the Federal Reserve Board and New York State banking authorities agree, then Hongkong Bank will have made a crucial leap from being a regionally based institution to being a truly international one. For it will have secured access to a very large and stable U.S. dollar deposit base through control of Marine Midland, a bank with assets of over $12bn. and *the 13 largest U.S. commercial* banks. In the face of the nationalistic pressures and rapid change which is currently in progress in the Far East — not to *mention the uncertainty about* what will happen in Hong Kong when the British leases on the Crown Colony run out in 1997 — the opportunity which Marine Midland presents to the Hongkong Bank is one which it might not be able to afford to miss if it is to underwrite its international role into the future. It is also a development for which, if the deal does not go through, the Hongkong Bank will probably have to find a replacement.

For all this, the proposed liaison must be seen as an unlikely one. On the one hand, there is Marine Midland, a bank which over the past two years has had the worst earnings record of any banking institution *of its size in the U.S., the only* bank of its size to record a quarterly loss in the past three years, and to cut its dividend, and finally to have to seek Federal Reserve approval for paying a dividend last year.

Until 1976, Marine Midland, for all its size, was legally just a conglomeration of some 300 small local, mainly upstate New *York banking concerns. Some of* its problems, particularly its heavy losses in its London office, intermarine, stemmed from this loose corporate structure, the lack of central control and the decisions made by its independent New ork branch to venture *into the world of international* banking in the early 1970s to compete with much more sophisticated and experienced institutions.

It requires only a glance at Marine Midland's balance sheet, peppered as it is with the sort of detail about loan losses, provisions, and geographic and industrial breakdowns of its business—disclosure to a degree which only the U.S. banking authorities demand—to see how different it is in outlook from Hongkong and Shanghai.

The Hongkong Bank, founded 111 years ago by a group of traders who were active in China, still reflects the British colonial ambiance. Its senior officers are still largely British although the presence of the legendary shipping magnate Y. K. Pao on its Board testifies to its oriental roots. As its bal*ance sheet* shows it has had *no* difficulty adjusting to the inscrutable ways of the Orient—major banks are less revealing of their business. It does not, for example, yet publish true profit figures, but instead makes transfers from hidden reserves to smooth its earnings and in effect disguise the performance of its businesses. Unlike U.S. banks, *it is not required to break* down profits between different sorts of operations—between securities and non-securities activities for example. It certainly does not break down its business into the mathematical detail required of Marine Mid*land.*

Secrecy is undoubtedly one of the assets of its business. It dominates to Hong Kong financial community fulfilling some *of the functions of a central* bank—it issues banknotes, for example—and also performs vital foreign exchange operations for the Communist People's Republic of China. It is one of the few capitalist institutions with a branch on the mainland in Shanghai.

But if its base is in Hong Kong and a high *proportion of* its deposits come from Chinese dispersed around the orient, its operations are wide-ranging. Its British Bank of the Middle East subsidiary with assets of $4bn. plus gives it a solid base in the oil-producing states there, and in London it has a 40 per cent. holding in the Anthony Gibbs merchant bank.

Marine Midland shareholders therefore are not just getting, if the deal goes through, a much needed $200m. infusion of new capital to form a base for new *expansion. They are also getting* access to the contacts and experience of an international bank with roots in vital areas of the world—experience and knowledge the bank could have done with before its ill-fated international expansion earlier in the decade.

Hongkong and Shanghai in return will be able to forget the disappointments of its small Californian operation—the Hongkong Bank of California (assets $156m.) which it is expected to pull out of because of the U.S. banking laws. It will become a force to be reckoned with in U.S. banking as well as one of the world's largest banks. Combined, the assets of the two companies will add up to more than $28bn., putting it on a par with Manufacturers Hanover. It can also expect to be able to draw on a wider recruitment base than the slightly incestuous British colonial hierarchy of Hong Kong from where its management talent has been drawn. That too will bring it more into the mainstream of international banking. Clearly both banks have much to gain from the relationship. But equally it is hard not to suspect that it will take some years for such different institutions to grow to understand each other.

The corporate central bank

THE HONGKONG and Shangai Banking Corporation is the biggest bank in the Colony, controlling around 50 per cent. of *local deposits, and is closely* identified at least in the public *mind with the Hong Kong estab*lishment.

It fulfils a number of the roles *of a central bank, including pro*viding a major portion of the note issues, serving as the Government's principal banker and occasionally acting as lender of last resort.

The Marine Midland move underlines the group's ambitions to develop into a medium-sized international bank and to expand and diversify its operations. It may also be related to the very recent moves by Hong Kong *itself to open the doors to* branches of foreign banks after *a 12-year ban, subject to certain* conditions including the offering of reciprocal facilities by their country of origin.

Hongkong and Shanghai Bank*ing group's ambitions to expand* arise partly because of nationalistic restrictions in many of the South East Asian countries in which it operates. These limit its opportunities for *growth in that part of the world.*

Another factor is the long-term uncertainty over the position of Hong Kong. All the available evidence, including some recent indirect signals from the mainland, indicate that China *has no intention of seeking to alter the status of the colony in the near future, and probably not until after the turn of the* century, but Hong Kong's anomalous position must be taken into account.

There have been criticisms of *the Bank's cautious policies and* conservative management, though in recent years competition in the Colony itself has led it to take a more aggressive stance.

Its power has been diminishing as a result of the advent of a wider range of banking institutions and high levels of liquidity.

Chase to close German unit

NEW YORK, April 5.

FAMILIENBANK, a unit of *Chase Bank, of West Germany,* will be closed down by the end of May, Chase Manhattan Bank said to-day. Chase Manhattan, parent of the Chase Bank, said *Familienbank, a retail deposit-*taking and lending operation with about 20 branches, was being closed because of "unsatisfactory performance."

AP-DJ

IBM reveals revenue from computers

NEW YORK, April 5.

INTERNATIONAL Business Machines Corporation has for the first time disclosed revenue from its computer business in its latest Form 10-K, a yearly report to the Securities and Exchange Commission.

The large computer maker *usually provides little informa*tion in its 10-K that has not already appeared in its annual report, but has decided apparently to change its policy.

On the second page of its 1977 10-K is a table that discloses, although indirectly, the revenue from IBM's computer business for the last five years. The table did not appear in the annual report, mailed in February.

Primarily, the table indicates that sales of IBM computers *have been running higher and* rentals lower than a number of analysts had thought.

The initial reaction of analysts, most of whom had not yet seen the report, was that the information on computer revenue should markedly improve their ability to forecast IBM's results.

According to the table, data-processing products and services have accounted for a declining share of IBM's revenue, dropping to 81 per cent. of last year's total from 84 per cent. in 1973. Over the same period, revenue from sold machines has risen 144 per cent. to an indicated $4.6bn.

Agencies

MGM second quarter rise

NEW YORK, April 5.

CONFIRMING analysts' *optimism, Metro-Goldwyn-Mayer,* the films to hotels concern reports a 50 per cent. advance in second-quarter earnings to $9.6m. or 66 cents a share from the *$6.3m. or 43 cents a share for* the same period in the previous year. This was achieved on a revenue up by 22 per cent. to $92.6m.

AP-DJ

EUROBONDS

New Swiss issue from Inter-American Development

By Mary Campbell

PRICES were more or less unchanged in dollar, D-mark and sterling sectors yesterday, dealers said.

The first Swiss franc foreign bond issue since the "pause" following the fall-out in this market has now been formally announced. It is Sw.Frs.80m. for 15 years for the Inter-American Development Bank.

The coupon level has been set at 4¼ per cent. and the issue price at 99 to put the yield at 4.35 per cent. According to reports from Zurich, the Swiss authorities have exempted this and other issues by certain multinational agencies from the 35 per cent. quota applied to foreign investment in Swiss franc foreign bonds.

The 4.35 per cent. coupon yield compares with 3¾ per cent. for a top quality borrower before the Swiss National Bank imposed restrictions at the end of February.

In the yen bond market, the terms have now been announced for Argentina's issue. The Yen 15bn. issue will offer a 6.4 per cent. coupon on an eight year maturity and be priced at 99.10. Yamaichi is lead manager. The 6.4 per cent. coupon compares with 6½ per cent. on the current issue for Malaysia but the pricing is somewhat more generous to investors on the Argentinian issue.

● The Asian Development Bank has announced the sale of 70 *million dollars* of two-year bonds to 26 ADB member countries' central banks and other governmental agencies.

The bonds are to mature April 1, 1980, yielding interest of 7.80 per cent. a year payable semi-annually on April 1 and October 1 each year. The first payment will be next October.

Sold at par, the bonds represent an increase in aggregate principal of 20 million dollars over the two-year bonds that matured April 1 of this year.

● Phillips & Drew, the U.K. stockbrokers, have launched a monthly Review of the international bond market.

BOOKS OF THE MONTH

BOOKS

Heretics committed to the flames

BY C. P. SNOW

The Albigensian Crusade by Jonathan Sumption. Faber. £7.95, 269 pages

Faith has a lot to answer for. More horrors have been committed in the name of faith, and *obedience to faith,* than have in the name of any kind of unbelief. Faith gives certainty that the cause is right: and therefore that those who are against it must be got rid of. Hence the sacred wars of all religions, not only those which historically have been the most homicidal, such as Christianity and Islam, but even the gentlest.

The Albigensian Crusade is one of the most chilling of examples. Mr. Jonathan Sump*tion in this book has* produced an admirably compact account, unexcited, unhorrified, doing his fairest for the slaughterers as well as the slaughtered. He has extracted much information that will be fresh to most English readers (as, for instance, about the economic condition of southern France in the early thirteenth century) and has done it without fuss and sometimes with subdued wit. Anyone who wants a reconstruction of the physical catastrophe might turn to Zoë Oldenburg, perhaps the most gifted historical novelist alive, and read *The Cities of the Flesh.*

The Albigensians believed, as many religious persons have believed before and since, in the *absolute* separation of matter and spirit. Albigensian was a term used by their enemies, simply because many of these believers came from the district of Albi. It would be more sensible to call them Cathars. Theirs was an extreme extrapolation of the mind/body puzzle, such as we find to-day in some searches after the paranormal. In Christianity it goes back almost to the first generations of religion, as in the Gnostics. They were followed by the Manichaeans, who wrote most beautiful psalms, the Bogomils and, ultimately, the Cathars. Jonathan Sumption tends to accept that the Cathar faith in the Languedoc was a direct transmission from the Bogomils and points further east. Maybe, but often diffusionist explanations are too cut and dried. Evil matter, good spirit, is a profound feeling inside and outside any form of Christianity. Gandhi could and did behave like a Perfect, that is a committed member or elder of the Cathar community.

For them, the God of the Old Testament was the Devil of the New. There was some argument as to whether the Devil was a completely equal and independent power: but certainly he had created matter. The good, the perfect life, was to be achieved only by renouncing matter, that is in human terms the flesh and all that belonged to it. Perfects did not eat meat, or eggs, or milk. They abstained totally from sexual intercourse. Procreation was the *worst of sins.* With death, a Perfect could hope to become a pure spirit. This faith and practice spread all over south-western France, Toulouse, Carcassonne, Béziers, all the way between the Pyrenees and the Rhône. Perfects were what all Cathars would ideally have liked to be, but the majority, being frail mortals, left the final commitment until their death-beds. Still, there were many thousands of *Perfects, including a high pro*portion of upper-class women. As with many austere sects, Quakers, Jains, New England Puritans, the level of prosperity was high. Cathars were more honest, scrupulous, conscientious than most of their contem*poraries,* and probably kinder to each other.

Their faith was obviously heretical to any orthodox Catholic. *Their way of life seems* to have been even more offensive. They couldn't be persuaded out of their wrong-thinking and wrong-doing, though some *clerics, more tolerant* than most, did make attempts (the modest lives of so many Perfects won respect from a number of their orthodox neighbours).

Still, they wouldn't give up their modesty or their faith. So there had to be a crusade. It was duly promoted by Innocent III. They must be converted or exterminated. The Pope was not indulgent to heretics, but the most ferocious ecclesiastical leader of the crusade, was the Abbot of Citeaux, Arnald-Amaury. When a town was being sacked, he was asked how to distinguish between the Catholics and the heretics. *His reply was simple. Kill them* all, God will know his own. That may be *ben trovato,* but the Abbot's behaviour throughout the crusade did nothing to make it unlikely. The crusade dragged on for years. The crusaders came from the north, Normandy, the Ile de France, Poitou, less cultivated than the people of the Midi, better, particularly as Normans usually were, at military organisation. As in all crusades, there were for the crusaders material as well as spiritual benefits.

The south of France contained rich pickings for landless knights. Simon de Montfort, father of the namesake who played a part in English history, acquired a large domain, showing much military skill, something like deranged ferocity, and devout religious faith. The southern lords, when they were not heretics themselves (many were at *least fellow* travellers), tried to protect their countrymen, and certainly tried to protect their own properties.

In the long run they were outfought. As for the Cathars themselves, that was easy. It was relatively rare for a Perfect to recant. Very large bonfires were built. Cathars were *thrown* on them, a hundred at a time. That was the place for them.

For a generation afterwards, the Inquisition, just established, got to work. There wa[s] curious result of their acti[...] Almost all that we know o[f] the Cathars really believed from the records of Inquisitors' interrogation, own writings, which were [...] ful, and almost certainly [...] intellectual interest, were [...] from the earth, as they [...] selves were.

Jonathan Sumption: the que[...] perfection

Slump time

BY GILES RADICE

The Slump by John Stevenson and Chris Cook. Jonathan Cape. £8.95. 348 pages

Reading this informative study of British society and politics during the depression (while en route from Westminster to my northern constituency) confirmed my impression that today's version of the two nations first emerged in this period. For *while the North, Scotland, Wales* and Northern Ireland suffered the full impact of the slump, during the 1930s the Midlands and the South East were becoming increasingly prosperous.

Although there were still over two million people out of work in 1935 and, until the war, never less than ten per cent. of the insured workers were unemployed, for most of the thirties unemployment and its consequences were concentrated in certain areas and industries. Out of the 1,717,000 registered unemployed in July 1936, over two-thirds were in Scotland, Wales, *Northern Ireland and Northern* England. In some towns, like Jarrow, Gateshead, Greenock and Merthyr, nearly 75 per cent. of insured workers were unemployed. And the percentage of unemployed in the traditional export industries, such as coal, shipbuilding, steel and cotton, was *consistently above* the average level for industry as a whole.

In contrast, the South East and the Midlands became more affluent. The London area took the lion's share. Between 1932 and 1937, four-fifths of the new factories in Britain were estab*lished in Greater London,* as well as two-thirds of new employment. Industries which expanded in these parts of the country included motor vehicles, aircraft production, chemicals, electricity supply and the service industries, all of which were to be important in the post-war *economy.*

The paradox of the "hungry thirties" is that average living standards improved significantly. While a substantial proportion of the population, particularly in the depressed areas, existed in conditions of chronic poverty, poor housing and ill-health, there *was a 15 per cent. rise in* real wages for those in regular employment. The main reason for this was not wage increases but a fall in prices. Between 1920 and 1939 the cost of living index fell by a third, with a dramatic decline taking place in the early thirties. Assisted by the trend to smaller families, the middle classes and a large section of the working class enjoyed cheaper food, a wider range of consumer goods, and better housing. *Nearly three million houses,* mostly for private sale, were built. The mushrooming suburbs of the South East and the ribbon development along main roads provide tangible evidence of the new prosperity of the "devil's decade."

Given this overall economic and social progress, it is not so surprising that the age of mass unemployment did not make more of an impact upon British politics. Despite the dole queues, the two extremist parties—the Fascists and the Communists—made little headway at the polls, while the extra-parliamentary demonstrations in the form of unemployment and hunger marches were also largely ineffective. The better-off majority remained faithful to the main *political parties. The most com*mon reaction of the unemployed was not political involvement but apathy and fatalism. The only group "radicalised" by the thirties was a section of middle-class intellectuals who learnt about unemployment mainly through the Left Book Club and *other publications.*

The politics of the '30s were dominated by the National Government. Labour made a *fairly rapid recovery from* the 1931 electoral defeat (when the party still polled more votes than in 1923) and consolidated its position as the alternative to the Conservatives. But the 1935 election was a disappointment and the authors persuasively argue that there is little evidence to show that a general election in 1939 or 1940 would have led to a Labour victory. It needed the war to bring that about. Still an important factor in the triumph of 1945 was the determination that mass unemployment should never return.

Despite to-day's high unemploy*ment, 1945 did change things.* The recession of the 1970s is different from the slump. From 1931 to 1933 twenty per cent. of the labour force was unemployed compared to six per cent. now. In contrast to the '30s substantial unemployment and other social benefits protect the living *standards of those out of work.* And there is a whole range of measures, including tax cuts, public expenditure, job subsidies and regional incentives, available to modern Governments to ameliorate the situation. However, there is another less advantageous difference. We cannot resort to the widespread import controls behind which the recovery of the '30s took place. Because of the growth of world trade and economic interdependence, effective international co-ordination is a prerequisite of our recovery.

The authors have written a valuable, if somewhat compartmentalised, summary of the main social and political trends of the 1930s. My criticism is that they have largely ignored the ideas *and assumptions which shaped* the behaviour of Government and governed. I doubt whether it is possible to write an authoritative account of the Slump without them.

Horn with fingerholes, from a Book of Hours made in Milan c. 1494—one of many fascinating plates illustrating Mary Remnant's "Musical Instruments of the West" (Batsford £10.00)

Oxford imprint

BY ALAN HODGE

The Oxford University Press: An Informal History, by Peter Sutcliffe. Oxford. £6.75. 303 pages

The Oxford University Press and the Spread of Learning: An Illustrated History (1478-1978) by Nicholas Barker. Oxford. £10. 69 pages, 332 plates

The Oxford University Press is now a world-wide business, with active and semi-independent branches in all five continents, but this rise to power dates only from about 1860. Previously its history had been sometimes erratic and sometimes limited to printing chiefly the Bible, the Prayer Book, scholarly texts in various languages and commentaries upon them. Like its opposite number in Cambridge, it was for long a preserve for divines, linguists and men of law.

The first printer to work in Oxford was Theodoric Rood from Cologne who began about 1478, a year after Caxton had started in London. Hence the Oxford Press is now celebrating its quincentenary in two complementary volumes, one of them a history of publishing, mainly since mid-Victorian times, and the other an admirable volume of annotated illustrations, showing buildings, books, deeds, *authors and type-faces, from a* grant of land to a thirteenth-century stationer in Cat Street to Stanley Morison's book on John Fell's achievements in typography.

Seventeen books were printed by Rood in the course of nine years. Then came a depression in the printing trade. There was silence for nearly a century except for a *brief outburst in* 1517-18. The revival began in late Elizabethan times when Robert Dudley, Earl of Leicester, was Chancellor of the University and Joseph Barnes was appointed printer, producing some three hundred books, mostly tracts or *sermons. John Smith's Map of Virginia* in 1612 was an exception.

The rule of Archbishop Laud followed in the reign of Charles I. It was naturally marked by a devotion to the writings of the early Fathers of the Church, but also to secular scholarship in *the shape of Francis Bacon on* the advancement of learning. Curiously a new revival occurred under the dissolute Restoration. Dr. John Fell, Dean of Christ Church and later Bishop of Oxford, became in effect chairman and managing director of the press.

In 1814 the "Learned Press" at Oxford spent £1,003 on paper; the "Bible Press" £19,073. The proportion changed after Bartholomew Price became Secretary to the Press in 1868 and set about enlarging its educational interests. Many names followed him that are of importance in the publishing world — among them Charles Cannan, Henry Frowde, Humphrey Milford, H. W. Fowler, R. W. Chapman and Horace Hart, whose "Rules for Compositors and Readers" is still invaluable to editors. In his *Informal History* Mr. Peter Sutcliffe has admirably delineated the con*tributions of many men of* judgment to the growth of the press, and described the history of some of its greater productions. *The Oxford English Dictionary,* for instance, took some 70 years to complete; and the *Dictionary of National Biography* is naturally an unending task. The Oxford Books of Verse, the Oxford histories and the Oxford Legacy series have followed, as have permanent incursions into music, children's books and other *specialised fields.*

Forster's fears

BY DAVID HOUSEGO

E. M. Forster: A Life, Volume 2 Polycrates' Ring 1914-1970 by P. N. Furbank. Secker and Warburg, £7.50. 348 pages

In the preface to *The Hill of Devi,* E. M. Forster wrote that he had edited out of his letters from India his tendency *to turn rare and remote matters* into "suburban jokes." The self-consciously facetious tone was of course one way of dodging his anxieties over the strength of his homosexual passions that flared up vividly during his visits to the odd and exotic court of Dewas Senior in Central India.

Forster continually fretted over how much of his secret life he should reveal and how much to hide. He wanted to keep his unpublished homosexual novel *Maurice* out of the censorious hands of Virginia Woolf: a pummelling from D. H. Lawrence who accused him of immaturity made him determined to show more of his feelings and to lend *Maurice* to more of his friends: he was terrified that the Maharaja of Dewas (how badly he must have misjudged him) had caught him out in an affair with a Hindu coolie and so confessed in the hope of avoiding punishment: he swung backwards and forwards over whether to keep or burn his letters.

As he said himself, he lived in awe of other people's judgment. The result was that he put off the major decision on unmasking his inner self, leaving *Maurice* to be published posthumously and Mr. P. N. Furbank to write his biography. What emerges *most strikingly in this* second volume is the contrast between the hole-in-the-wall manner in which he felt it necessary to conduct much of his private life and the public tone of the novelist and elder statesman of letters preaching the civilised virtues of friend*ship and personal relations.*

At the beginning of the First World War, Forster seemed to believe that the public and private worlds were *irreconcilable.* "Though there is a connection between civilisation and our private desires and impulses and actions," he wrote, "it is a connection as meaningless as that between a word and the letters that make it up." It was while he was in Egypt on voluntary non-military war service that he had his first full physical encounter with a soldier on a beach. After that there were other affairs with an Egyptian tram-conductor, an Indian barber and so on. Apart from what he called his "indecencies"—short pieces he dared not print—his only explicitly homosexual novel was *Maurice.*

But the overlap betwee[n] personal world and the [...] outlook that Forster sto[od] was, of course, close. It en[...] his revulsion at the racia[l] judice shown to Indian[s] Egyptians, which in[...] through the influence [...] *Passage to India,* helped [...] public attitudes on race. [...] cut him off from British [...] in India whose disappro[val] feared. The weakness [...] *Passage to India* is that [...] traits of Anglo-Indians [...] parody of the "official [...] missing entirely that [...] doubt about British rule [...] crept in already before th[e] World War and that his [...] Malcolm Darling arti[...] after. Forster would hav[e] to have rounded more s[...] on the Anglo-Indians he d[...] —and the novel would hav[e] stronger for it. But harb[...] his own sense of gui[lt] laboured too hard to be [...]

A Passage to India w[...] last of Forster's major [...] Though Mr. Furbank ca[...] volume of the biograph[y] crates' Ring—a reference [...] myth of destruction [...] success—he examines [...] briefly why Forster felt d[...] as a writer of fiction. [...] last 45 years of his life, F[...] main work was as an e[...] a journalist, a polemicist [...] venerated national figure [...] record of *events and* of hi[...] grows less fascinating. [...] campaigner on liberal [...] from fighting the then li[...] obscene publications [...] arousing public opinion [...] dangers of fascism. Forst[er was] not very effective.

Mr. Furbank includes a [...] *ficent quotation from* Ka[therine] Anne Porter, who listened [...] addressing the Internatio[nal Con]gress of Writers in Paris [...] his voice "a thin re[...] sound like the wind down [...] *roof.*" It was the voice of [...] speaking through his nov[els] Auden rightly commemor[ated in] *his poem to Forster and* [...] made him seem a conten[...] figure in spite of his Edw[ardian] fussiness.

The early part in par[...] of this book is rich in m[...] Mr. Furbank writes well, [...] without being prying, [...] thetic though at times u[...] sarily reverential. He [...] allows Forster to speak a[s much] as possible for himself [...] summing-up chapter suffe[rs from] Forster's own fault of be[ing] fair-minded. He calls it [...] Forster Described," whic[h is] short of a portrait but i[...] than a personal impressio[n] *important,* it *also sideste[ps the]* issue of Forster's funda[mental] lack of courage in facing [...] his homosexuality which [...] much of his writing a[nd the] liberal values it embodie[s.]

Fiction

Perils of lavishing an excess of affection on a love object

BY MARTIN SEYMOUR-SMITH

Round the Clock by James Lees-Milne. Chatto and Windus, £4.25. 150 pages

Housespy by Maureen Duffy. *Hamish Hamilton, £4.50. 218* pages

Monday Lunch in Fairyland and Other Stories, by Angela Huth. Collins, £4.50. 196 pages

The Murderer by Roy A. K. Heath. Allison and Busby, £3.95. 190 pages

The Provocateur by René-Victor Pilhes. Translated from the French by Denver and Helen Lindley. Marion Boyars, £4.95. 278 pages

James Lees-Milne, who was for many years Adviser on Historic *Buildings to the National Trust,* is a writer for whose works—there are not many of them—the public is greedy. This applies less to his excellent biography of Beckford (not that this was not lapped up by connoisseurs) than to his autobiography (*Another Self*) and, above all, to his two wartime diaries *Ancestral Voices* and *Prophesying Peace.* His novel *Heretics in Love was well praised* but did not get the readership it deserved.

Someone once wisely said that the British like men of fiery natures (provided they do not set institutions on fire). He might have added that they like, even more, subdued fire: discreet malice, accuracy of observation that is deadly in its exactitude, traditionalism that is self-critical and laced with humour, anger at the stupidities of what passes for "progress" quite transformed into the sardonic. Self-discipline has in James Lees-Milne produced a uniquely expressed kindliness and a delicately delightful style: It is a particular pleasure to have the opportunity to witness his imagination at work; here, all too rarely, we have it.

Round the Clock is about *lavish, over-idealistic, soppy,* sentimental affection. If, the author tells us in effect, you lavish too much love on some man, woman or animal (an important character here is Nero, a dog perhaps wiser than the human participants, though subject to some of their vices), then *you will cause the object of your* affection to recoil from you. *Worse, however, you become part* of a chain: the person or animal upon whom you lavish your affection will in turn lavish his hers or its equally excessive devotion and indulgence upon someone, or animal, else (though not of course upon you, who crave for it). Thus a chain, a vicious circle, is created. Especially so in the closed community of a small and rather eccentric household.

Some may call this cynical. I found it, rather, wryly realistic *—and at times as funny as* Anthony Powell, some of whose reticent wisdom James Lees-Milne possesses. If you enjoy Powell, Waugh (the Evelyn of *that variety*), then you will certainly find this in the class to which you are accustomed. If you think you may be sentimental, or doing harm to yourself by being over-loving towards someone, then here is a lesson for you: a lesson more interesting than you ever had at school.

Maureen Duffy has been courageously experimental in her previous novels. Experimental! Not perhaps a word to arouse enthusiasm in the breasts of every English reader. But *Maureen Duffy's experimentalism* has not been experimentalism for its own sake: it has been resolutely directed towards the achievement (and, indeed, the discovery) of what she wants to say. Hence the success of her previous fiction: even where individual novels have not quite come off, readers have been aware that she has something new, compassionate, just and interesting to tell us.

With *Housespy,* she makes a substantial leap towards maturity. Her technical competence has improved greatly, and while her novel reads more smoothly and easily than any of its predecessors it sacrifices nothing in subtlety. There has been a gain in humour and in overall coherence.

We have Scully, the odd policeman attached to the household of the Minister for Economic Planning, the Minister himself, his oddly erratic American wife Danny (no one should be hasty to draw conclusions), and the constant threat of assassination or kidnapping. This a cleverly plotted novel posing as an "entertainment" (Graham *Greene style), which reaches* a bizarre climax. It beautifully resolves the problem created by two almost equally detestable phenomena: the complacent and often cruel inefficiency of many politicians, and the psychopathic violence used to combat it.

The stories—most of them on the short side—contained in *Monday Lunch in Fairyland* are professional, intelligent, often highly accomplished. They show feeling, and the author's exploitation of the too frequently banal language used by people when they are discussing serious matters is skilful and validly ironic. Making allowances for the differences of time and of sex, there is something in common between these terse tales and the earliest (and by far the best) stories of the late John O'Hara.

Roy A. K. Heath, author of one previous novel, *A Man Come Home,* was born in Guyana. He is a lawyer, but is now a teacher in a London comprehensive school. The developing literature of what were once British colonies is an exciting one, and Roy Heath is clearly a part of it. *The Murdere[r is a] tense study, set in Geor[getown,]* Guyana, of the violence [...] in Galton Flood, a youn[g man] ruined by his unsuc[cessful] struggle against a domi[nant] and fiercely *puritanical* [...] The background is vivid[ly ren]dered, and Roy Heath has [an] eye for the significant [...] This has not the depth ac[hieved] by the most eminent *of* [...] modern Caribbean novelis[ts, the] older Wilson Harris; but, [in the] more realistic *tradition,* Heath promises to achieve [...]

René-Victor Pilhes' *The [Pro]vocateur* won the Prix F[...] and has been filmed. The [...] is a slick satire on big bu[siness] and multinational corporat[ions] is well enough done, *but* [...] over-familiar to us *beca[use]* adds nothing to what [has] already been written. This [...] *is* now more enjoyable [...] used by skilful thriller-writ[ers as] background for ingenious [...] Bad or mediocre books [...] make good or even outsta[nding] *films—just* as classics [...] always make awful ones—[I] daresay Bertucelli has t[urned] this into something more [distin]guished than its original.

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Recovery continued in early trade

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 5.

STOCKS ON Wall Street were inclined to regain a little more ground in increased early activity to-day.

The Dow Jones Industrial Average was 1.73 harder at 737.10 at 1 p.m., while the NYSE All Common Index added 14 cents at $49.80 and rises led declines by a seven-to-four ratio. Turnover expanded to 16.28m. shares from yesterday's 1 p.m. amount of 14.20m.

Closing prices and market reports were not available for this edition.

Analysts called the improvement a continuation of yesterday's technical rally and said the market appears to have discounted recent negative news.

Marine Midland, after a delayed opening, gained $1 to $15¾—the company's Board has approved the purchase of 51 per cent. of its Common stock by Hongkong and Shanghai Banking.

Lockheed, also delayed initially, rose $1 to $18¾—yesterday, Pan Am stated that it plans to buy 12 Lockheed L-1011's, worth over $500m.

National Service Industries added $1 at $14¾—the company intends to tender for 1m. of its shares at $15 each and may buy a further 500,000.

Equitable Life Mortgage fell 2¾ to $22¾—the Trust said rising short-term interest rates may put pressure on its interest rate spread and on its earnings.

THE AMERICAN SE Market Value Index was 0.32 higher at 129.27 at 1 p.m. after a moderate trade. Volume 1.60m. share (1.84m.).

Sundance Oil put on 1¼ to $32¾, Shenandoah Oil 1¼ to $31¾, and Specialty Restaurants also 1¼ to $13½.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Lockheed	277,400	17¾	+¼
Citicorp	253,500	20¼	—
McGraw Hill	222,700	19¾	+¼
Union Camp	199,200	36¾	−¼
Sears Roebuck	196,200	22½	−½
Asarco	185,400	19½	+1¼
[illegible] Systems	174,800	29¼	−¼
[illegible]	167,300	47½	+1
IBM	161,900	238	+1½
Bally	159,400	22¼	+¼

OTHER MARKETS

Canada firmer

Canadian Stock Markets reverted to a firmer course yesterday morning in busy trading, the Toronto Composite Index gaining 3.0 at 1,060.5 at noon. Metals and Minerals rose 8.8 to 883.0, Oils and Gas 4.7 to 1,399.8, Banks 0.77 to 250.29 and Papers 0.55 to 106.08. Golds, however, slipped 2.6 more to 1,271.8.

Dale-Ross rose ¾ to $12¾ on higher earnings, while Venpower, which plans to pay a dividend of 40 cents, advanced 20 cents to $1. Prado Explorations fell 20 cents to 70 cents before trading in the shares was halted, pending an announcement.

PARIS—Market was very firm in extremely active trading, helped by the Government's denial that it is planning a State Loan, which could have diverted institutional funds away from Equities.

All major sectors showed gains, with Michelin, Poclain, Moulinex, Perrier, Printemps, Moet, Cie Bancaire, Peugeot, Borel, Esso, Air Liquide, Denain and Roussel substantially higher.

Galeries Lafayette were unquoted due to a heavy imbalance of buying orders.

News that a Saudi Arabian businessman has taken a 10 per cent. stake in Dumez left the company's shares a further 40 up at Frs.710.

BRUSSELS—Local shares displayed a firming tendency in more lively trading.

GB Inno-Bm put on 20 more to B.Frs.2,020, while Sofina advanced 60 to B.Frs.3,260 and Petrofina 40 to B.Frs.3,870, but La Royal Belge receded 40 to B.Frs.5,650 and Hoboken 35 to B.Frs.2,085.

Fabrique Nationale, where a six-week-long strike has ended, were unchanged at B.Frs.2,385.

AMSTERDAM—Bourse prices mainly hardened, although activity remained at a low ebb.

Among Dutch Internationals, Royal Dutch gained Fls.0.60 and Unilever Fls.0.40.

Elsewhere, shares recording rises rang between Fls.1 and Fls.2 included Robeco, OCE Grinten, Bijenkorf, Amfas and Van Ommeren, but Burhmeister Tetterode lost Fls.1.50.

GERMANY — Stock prices mostly gained further ground in active trading, chiefly on news of the fall in West German March unemployment.

However, in Motors, Volkswagen declined DM2.50 on uncertainty over its dividend, due to be announced shortly, while Mercedes lost DM4.50. Lufthansa were down DM2.50 and the Preference shed DM1.60.

Banks and Engineerings rose strongly, with Linde gaining DM5.50 and Bayer Vereinsbank DM4.00.

Public Authority Bonds rose afresh, ending between 15 and 45 pfennigs firmer. The Regulating Authorities sold DM3.9m. nominal of stock (DM3.6m.). Mark Foreign Loans were little changed.

SWITZERLAND—Shares were inclined to edge forward in light trading.

There was some buying interest for Industrials, where Brown Boveri, Jelmoli, Globus, Nestle and Sandoz hardened.

Domestic and Foreign Bonds were steady in quiet dealings.

MILAN — Selectively higher in thin trading.

Snia Viscosa and Pirelli SPA were notably firmer among Industrials, but Fiat were unchanged.

Assicurazioni Generali rose in Insurances, as did Mediobanca in Banks. Bastogi added 7 at L415 in mixed Financials, but Generale Immobiliare were lower.

SPAIN—Market continued to ease, with the General Index slipping 0.81 further to 90.81. Among the few bright spots, FEMSA were 4 points higher at 86 and Motor Iberica 2 up at 119.

JOHANNESBURG—Gold shares again drifted easier on lower Bullion prices. Trading was very quiet ahead of the IMF gold auction.

Financial Minings registered small losses in line with producers. De Beers slid 7 cents more to R5.20 on lack of interest. Other Metals and Minerals were also weaker in slack trading, but a firm undertone prevailed in Industrials, Primrose advanced 13 cents to R1.53 despite withdrawal of the Tongaat offer.

HONG KONG — Market was closed for the Ching Ming Festival.

TOKYO—Market moved further ahead in heavy trading on extensive buying interest, with Foods and Pharmaceuticals looking particularly strong. The Nikkei-Dow Jones Average rose 48.16 points to a post-war record high of 5,527.90, with volume totalling 510m. shares (370m.).

Export-orientated shares were helped by a partial U.S. dollar recovery in Tokyo.

Fujisawa Pharmaceutical rose Y27 to Y955, Banyu Pharmaceutical Y45 to Y690, TDK Electronic Y50 to Y1,950, and Canon Y16 to Y487.

AUSTRALIA—Stock prices continued to move irregularly.

Among Industrials, BHP advanced 8 cents to $A6.06 but ICI Australia receded 6 cents to $A2.00. Stores had Myer 10 cents firmer at $A1.78, while in Banks BNS Wales put on 6 cents to $A5.22, but in Properties, Lend Lease receded 5 cents to $A2.50.

Uraniums, after recent strength, tended to react, Pontinental losing 30 cents at $A10.40 and Peko-Wallsend 8 cents at $A5.

Indices

NEW YORK—DOW JONES

	Apr. 4	Apr. 3	Mar. 31	Mar. 30	Mar. 29	Mar. 28	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	755.87	751.04	757.36	758.62	761.79	758.84	817.74 (5/1)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	89.49	89.46	89.54	89.72	89.89	89.83	90.86 (4/1)	89.53 (28/1)	—	—
Transport	205.49	205.40	207.15	207.20	207.75	207.68	215.77 (3/1)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	105.04	104.74	105.68	105.72	106.06	105.95	110.98 (3/1)	102.84 (22/2)	165.52 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	20,130	20,280	20,150	20,460	25,450	21,600	—	—	—	—

* Basis of index changed from August 24

Ind. div. yield %	Mar. 31	Mar. 24	Mar. 17	Year ago (approx.)
	6.16	6.16	6.06	4.57

STANDARD AND POORS

	Apr. 4	Apr. 3	Mar. 31	Mar. 30	Mar. 29	Mar. 28	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	97.85	97.20	98.02	98.24	98.49	98.55	105.22 (3/1)	95.52 (6/3)	154.64 (11/1/73)	3.52 (30/6/32)
§Composite	88.86	88.46	89.21	89.41	89.64	89.50	95.92 (3/1)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 29	Mar. 22	March 15	Year ago (approx.)
Ind. div. yield %	5.46	5.46	5.47	4.47
Ind. P/E Ratio	8.48	8.48	8.43	10.27
Long Govt. bond yield	8.25	8.15	8.16	7.74

N.Y.S.E. ALL COMMON

Apr. 4	Apr. 3	Mar. 31	Mar. 30	1978 High	1978 Low
49.66	49.44	49.85	49.95	51.82 (3/1)	48.37 (6/3)

Rises and Falls

	Apr. 4	Apr. 3	Mar. 31
Issues traded	1,842	1,887	1,822
Rises	818	375	582
Falls	520	1,084	748
Unchanged	504	428	492
New Highs	—	21	32
New Lows	—	49	23

MONTREAL

	Apr. 4	Apr. 3	Mar. 31	Mar. 30	1978 High	1978 Low
Industrial	175.68	175.91	174.15	175.39	174.69 (3/1)	162.90 (16/2)
Combined	180.65	180.94	181.25	180.57	181.25 (31/3)	170.62 (30/1)
TORONTO Composite	1057.5	1059.2	1063.5	1068.3	1068.3 (31/3)	998.2 (30/1)
JOHANNESBURG Gold	201.9	205.4	205.9	190.5	218.7 (1/2)	195.8 (21.3)
Industrials	204.8	205.9	204.8	202.7	214.4 (4/1)	194.9 (15/3)

	April 5	Previous	1978 High	1978 Low
Australia(*)	469.46	468.69	479.45 (5/1)	441.19 (1/3)
Belgium (¶)	95.45	95.09	95.43 (5/4)	90.43 (12/1)
(Denmark**	96.20	96.15	98.13 (9/1)	94.00 (6/2)
France (††)	62.0	60.9	62.0 (5 4)	47.6 (3/2)
Germany(‡‡)	805.7	802.3	812.7 (10/2)	788.2 (4/1)
Holland (§§)	76.6	76.0	82.1 (10/2)	76.0 (4/4)
Hong Kong (¶¶)	(c)	451.67	451.67 (4/4)	385.44 (13/1)
Italy (‖)	60.55	60.53	63.56 (6/3)	55.46 (10/1)
Japan (a)	410.62	406.98	410.62 (5/4)	364.04 (4/1)
Singapore (b)	291.41	291.70	291.70 (4.4)	262.00 (9/1)
Spain (d)	90.81	91.62	98.90 (10/1)	87.58 (17/3)
Sweden (e)	366.29	362.81	376.29 (5/4)	326.74 (3/1)
Switzerl'd(f)	295.2	293.6	323.7 (14/2)	280.4 (10/3)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975) † Excluding bonds. ‡ 400 Industrials § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961 (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam. Industrial 1970 (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68 (b) Straits Times 1966 (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated Φ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—101¾% (101¾%)
Effective rate (at 1.8745) 45½% (44¾%)

NEW YORK

Stock	April 4	April 3
Abbott Labs	54⅝	54⅝
Addressograph	17	17
Corning Glass	45⅞	45½
CPC Int'n'tional	44½	45
Crane	28	28¼
Crocker Nat	26	25⅝
Johns Manville	29¼	29
Johnson Johnson	67½	67¼
Johnson Control	27⅝	27
Joy Manufactur'g	32½	32⅝
Revlon	38⅝	38½
Reynolds Metals	28	27⅞
Reynolds R. J.	56½	56⅛
Rich'son Merrel	24	22¼
Woolworth	18¼	18⅜
Wyly	3¼	3¼
Xerox	41¾	41¼
Zapata	16¾	16½

GERMANY ◆

April 5	Price Dm.	+ or −	Div. %	Yld. %
AEG	90.1	+0.5	—	—
Allianz Versich	490	+4	18	1.8
BMW	228	+1.5	20	4.4
BASF	139.1	+0.1	17	6.1
Bayer	143.5	+1.5	16	
Bayer Hypo	288	+3	18	3.1
Bayer Vereinsbk	321.5	+4.0	18	2.8
Ciba Int. Ned. wrts	175		—	
Commerzbank	238.3	+2.9	18	3.7
Conti Gummi	78.5	+1.0	—	—
Daimler Benz	305	−1	19	3.1
Degussa	267	−2	17	3.2
Demag	163.8	+0.3	14	4.3
Deutsche Bank	309.8	+1.8	18	2.9

TOKYO ¶

April 5	*Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	335	−3	14	2.1
Canon	487	+16	12	1.2
Casio	561	+12	25	2.2
Chinon	360	+5	20	2.8
Dai Nippon Print	540	+1	18	1.7
Fuji Photo	569	+16	15	1.3
Hitachi	240	+4	12	2.5
Honda Motors	580	+10	18	1.6

AUSTRALIA

Apr. 5	Aust. $	+ or −
ACMIL (25 cent)	†0.65	
Acrow Australia	†0.90	
Allied Mnt-Trdg. Indu. $1	†2.23	
Ampol Exploration	†1.53	
Ampol Petroleum	†0.75	
Assoc. Minerals	†0.84	+0.04

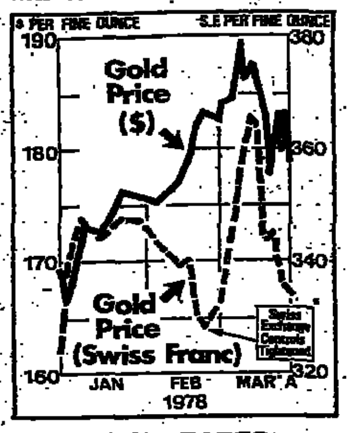
Market quiet

Conditions in yesterday's foreign exchange market appeared to be quieter than the previous few days. Sterling showed an improvement against the U.S. dollar opening at $1.8675-$1.8685, before easing to its lowest point of the day at $1.8650-1.8660. However, with the dollar weakening later on, the pound benefited to close $1.8740-1.8750, a gain of half a cent. Its trade weighted index, using Bank of England figures, improved to 62.2, having remained unchanged from the previous close of 62.0 for the earlier part of the day.

The U.S. dollar made headway against some leading currencies initially, but with the opening of New York markets, some selling materialised, leaving the West German mark up at DM2.0145 from DM2.0200 and a gain for the Swiss franc to Sw.Frs.1.8670 against Sw.Frs.1.8690 previously. Morgan Guaranty's calculation of the dollar's trade weighted average depreciation, using noon rates showed no change at 6.27 per cent., while its index on Bank of England figures remained unchanged at 88.5.

Tuesday's half a per cent. rise in the Canadian bank rate to 8¼ per cent. proved to be little comfort to the Canadian dollar as it fell to a record low of 87.66½ U.S. cents from 88.11½ U.S. cents previously. Elsewhere the Japanese yen weakened slightly to Y218.8 from Y218.7.

Gold lost $½ an ounce to close at $178½-179¼ with dealings on a pretty low level ahead of the IMF gold auction which took place after London's close of business.



CURRENCY RATES

	Special Drawing Rights April 4	European Unit of Account April 4
Sterling	0.665056	0.678111
U.S. dollar	1.24186	1.26712
Canadian	1.41050	1.43347
Austria sch	17.9697	18.3895
Belgian fran	39.0317	39.8255
Danish krone	6.88922	7.02231
Deutschem'rk	2.49465	2.54190
Dutch guilder	2.66938	2.72020
French franc	5.66133	5.76689
Italian lira	1055.58	1075.78
Japanese yen	271.595	276.374
Norway krone	6.59179	6.71763
Spain peseta	99.0532	100.83
Swedish krone	5.66350	5.76137
Swiss franc	2.30017	2.34254

EURO-CURRENCY INTEREST RATES*

April 5	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
†Short term	7-7¼	7-8	6¾-7	5⅛-5⅜	¼-⅝	3³⁄₁₆-3⁵⁄₁₆
7 days notice	6¾-7	7-8	6⅞-7⅛	5⅛-5⅜	¼-⅜	3³⁄₁₆-3⁵⁄₁₆
Month	7-7¼	7⅝-7¾	6⅝-7⅛	4⅞-5⅛	[illegible]	3⅛-3¼
Three months	7⁹⁄₁₆-7¹¹⁄₁₆	7⅜-7⅝	7¼-7⅜	4¹³⁄₁₆-5¹⁄₁₆	[illegible]	3³⁄₁₆-3⁵⁄₁₆
Six months	8³⁄₁₆-8⁵⁄₁₆	8¼-8⅝	7⅝-7⅞	4¹³⁄₁₆-5¹⁄₁₆	[illegible]	3³⁄₁₆-3⁵⁄₁₆
One year	8½-8¾	8½-8⅞	7⅞-8⅛	5¼-5½	1¹⁄₁₆-1³⁄₁₆	3⁵⁄₁₆-3⁷⁄₁₆

Euro-French deposit rates: two-day 8¼-8¾ per cent.; seven-day 8¼-8¾ per cent.; one-month 9-9½ per cent.; three-month 9¼-9¾ per cent.; six-month 9¼-9¾ per cent.; one-year 9¾-10¼ per cent.

Long-term Eurodollar deposits: two years 8¹⁄₁₆-8⁵⁄₁₆ per cent.; three years 8¼-8½ per cent.; four years 8¾-8¾ per cent.; five years 8⁷⁄₁₆-8⁹⁄₁₆ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 7.05-7.15 per cent.; three-month 7.20-7.30 per cent.; six-month 7.50-7.60 per cent.; one-year 7.75-7.85 per cent.

* Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

EXCHANGE CROSS-RATES

April 5	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.0192-0207	44.10-25	6.40-41	3.777-787	93.50-60	107.76-85
New York *	49.32-35	—	21.86-89	3.1525-1575	1.8700-8710	46.12-22	53.00-10
Paris	226.02-62	4.579-591	—	14.483-517	8.5505-8705	211.49-99	243.83-4.33
Brussels	15.59-63	31.58-63	6.88-91	—	58.95-59.10	14.58-62	16.80-86
London	3.77¼-78¼	1.8740-50	8.54¾-56¾	59.00-10	—	4.04¾-05¾	3.49¾-50¾
Amst'dam	106.885-935	2.1637-62	47.180-236	6.8435-8485	4.0405-045	—	115.275-325
Zurich	92.679-799	1.8735-60	40.97-41.055	5.9438-9524	3.5012-5085	86.863-912	—

U.S. $ in Toronto U.S. $=114.03-07 Canadian cents
Canadian $ in New York=87.73-76 cents. U.S. $ in Milan 851.00-30.
Sterling in Milan 1591.25-1592.50. * Rates for April 4.

GOLD MARKET

	April 5
Gold Bullion (a fine ounce)	
Close	$178½-179¼
Opening	$178½-179¼
Morning fix'g	$178.65 (£95.734)
Aftern'n fix'g	$178.40 (£95.274)
Gold Coin domestically	
Krugerrand	$183½-185½ (£98 .9)
N'w Sov'gns	$55¼-57¼ (£29-30½)
Old Sov'gns	$57¼-59¼ (£30-31½)
Gold Coins internat'lly	
Krugerrand	$183½-185½ (£98 .9)
N'w Sov'rgns	$54½-56½ (£29-30)
Old Sovr'gns	$57½-59¼ (£30-31½)
$20 Eagles	$290-[illegible]

FOREIGN EXCHANGES

April 5	Bank Rate %	Day's Spread
New York	6½	1.8650-1.8755
Montreal	8¼	2.1270-2.1400
Amsterdam	4½	4.02¾-4.06¾
Brussels	5½	58.55-59.25
Copenhagen	8	10.38-10.47
Frankfurt	3	3.76-3.80
Lisbon	13	76.40-77.25
Madrid	8	148.00-148.70
Milan	11½	1,587-1,598
Oslo	6	9.97-10.03¾
Paris	9½	8.52-8.58¾
Stockholm	8	8.85-8.90
Tokyo	3½	405-415
Vienna	5½	27.05-27.30
Zurich	1	3.49-3.53

‡ Rates given are for convertible Financial franc 58.95-59.15. * [illegible] April 4 should read 9.98-9.99.

OTHER MARKETS

Argentina	1856-1859
Australia	1.6228-1.6388
Brazil	31.14-32.14
Finland	7.78-7.80
Greece	67.686-65.371
Hong Kong	8.6185-8.6435
Iran	123-133
Kuwait	0.507-0.517
Luxemb'rg	58.85-59.10
Malaysia	4.4068-4.4175
N. Zealand	1.8089-1.8276

FORWARD RATES

[illegible]

Wheat pact outlook in doubt

WINNIPEG, April 5.

[P]ROSPECTS FOR a new International Wheat Agreement [m]ight suffer a serious setback if [th]e U.S. cuts its production [w]hile other wheat growing coun[tr]ies boost or hold output steady, [a]ccording to Michael Hall, pre[si]dent of Great Plains Wheat [In]corporated.

In a speech prepared for de[li]very before the Canada Grains [C]ouncil, Mr. Hall said severe [d]ifficulties in co-ordinated action [a]t the international level would [r]esult if the U.S. set aside sub[st]antial wheat and feed-grain [a]creage this season while other [n]ations maintained or boosted [p]roduction.

Mr. Hall said it became clear [a]t the recent negotiations in [G]eneva on a new International [W]heat Agreement that import[in]g nations were not interested [in] sharing the burden of carry[in]g stocks under an interna[ti]onal reserve plan.

One of the key lessons learned [a]t the talks, Mr. Hall said, is [th]at U.S. wheat farmers are not [te]rribly interested in an Agree[m]ent, especially one that would [o]nly create an international re[se]rve scheme or that would set [fi]xed minimum and maximum [p]rices.

"The long history of interna[ti]onal commodity agreements for [w]heat has shown to U.S. pro[d]ucers that they do not serve [to] either firm up or maintain [p]rices for farmers," he said.

Looking ahead, Mr. Hall said [th]e world would quickly realise [th]e rather thin wheat supply if [th]e U.S. attained its planned [p]roduction cuts and if other [m]ajor producing nations ex[p]erienced weather problems.

[R]euter

NZ stockpile wool to make up shortfall

WELLINGTON, April 5

[T]HE NEW ZEALAND Wool [B]oard will supplement new [of]ferings at auctions over the re[m]ainder of the season with [ab]out 20,000 bales from its own [st]ockpile, the Board's Wool News [sa]id to-day.

The publication explained that [th]e Board has taken the action [b]ecause of the drought and the [an]ticipated shortfall in grower [of]ferings of greasy wool. The [ex]tra supplies will comprise out [of] season, full length fleece and [sk]irtings and a proportion of [o]ddments.

The Board's stockpile at [F]ebruary 28 was 207,068 bales [w]hile stocks at July 1 last year [to]talled 103,801 bales.

[R]euter

EEC to propose pigmeat payments changes

BY MARGARET VAN HATTEM

LUXEMBOURG, April 5.

NEW PROPOSALS on monetary compensatory amounts, dealing specifically with pigmeat, will be presented later this month, Mr. Finn Gundelach, EEC Agriculture Commissioner, told Agriculture Ministers at the farm price review talks which concluded here yesterday.

Mr. Gundelach did not indicate whether the proposals would involve changes in the basis on which pigmeat compensatory payments are calculated. But he did acknowledge that the disagreement over these payments could be one of the biggest headaches in the farm price negotiations that are due to start again in Brussels on April 24.

Britain is insisting that the calculations should be based on the cereal content of pigmeat, a factor which would reduce the MCAs, and hence the subsidies, on Danish pork products exported to the U.K.

Mr. John Silkin, the U.K. Minister, is refusing even to discuss the Commission's proposal for a 3 per cent. price rise for pigmeat, until this is approved. He is supported by France and Italy, who also want the MCAs sharply reduced.

But Denmark is equally adamant that the MCAs should remain unchanged, and is supported by the other big pigmeat exporters — Germany, Belgium, and the Netherlands.

Sharp attack

Progress on the U.K. milk marketing board controversy looks more promising at this stage. The opponents of the British system—Germany, Denmark, the Netherlands and France—are concerned mainly with ensuring that the Boards should not use returns from high-priced liquid milk to subsidise sales of dairy products, thus undercutting their exports of butter, cheese and yoghurt on U.K. markets. Mr. Silkin to-day appeared confident that a mechanism acceptable to Britain could be devised to ensure this does not happen, although he would not specify what form it might take.

The opposing countries, particularly Germanyfi have in the past reisted the Commission's proposals for the Board's continuation on the grounds that they are applicable throughout the Community.

But they now appear ready to drop these reservations if the British can demonstrate clearly and continuously that they are not subsidising dairy products, Mr. Silkin said.

To-day's discussion of the £230m. aid proposed for Mediterranean countries produced a sharp attack on Britain's "insular" attitude, by the Dutch, Belgians, Italians, and French, after the U.K. delegation suggested that the effects of the very heavy expenditure involved should be more closely examined.

The British, who claim to contribute more to the Community budget than they drew from it, say the proposed package will further increase the gap between net contributors and net receivers among member States.

But several member States supported British arguments that provisions to ensure cost-effectiveness should be written into the package.

Apple supply prospects brighter

BY OUR COMMODITIES EDITOR

SUPPLIES OF apples — at lower prices — should be much more abundant during the coming months, starting with a big increase in shipments from South Africa and hopes of a record U.K. crop this season.

Mr. Joe Saphir, chairman of the Saphir Organisation, launching the "Cape" apple season this week promised that there would be an ample and continuous supply available for the U.K. market. South African exports of apples this year are expected to jump over 11m. bushels to Europe, with between 3m.-3.5m. bushels destined for Britain. This is about double the amount sent last year and selling is expected to continue right up until U.K. and Continental new crop apples start coming on to the market in volume during August.

Competition from several other sources of supply — including South America — is expected to exert downward pressure on apple prices during the summer months when Britain relies on Southern Hemisphere countries, like South Africa, to provide new crop apples. In addition, there are expected to be plentiful supplies of soft fruits such as grapes, strawberries, peaches and melons, which compete with apples for the housewife's spending.

If these forecasts prove true, it will provide a sharp contrast with last year when a general shortage of supplies and a "pathetic" domestic British apple crop because of late frosts, pushed apple prices up to well over 40p a pound in the shops.

So far this year weather conditions in the U.K. and Europe have been ideal for apple growers. If these favourable conditions continue, a record crop of between 300,000-400,000 tons — against 185,000 tons in 1977 and 274,000 tons in 1976 — might well be achieved in Britain. Although this would mean lower prices, U.K. growers should still be better off than in last year's "freak" season when many of them lost money by not having sufficient fruit to pick economically.

Japan-NZ trade deadlock

WELLINGTON, April 5.

NEW ZEALAND is waiting for Japan to take the next move in a trade impasse which has developed between the two countries, Mr. Brian Talboys, the Minister for Foreign Affairs, said here.

The impasse has resulted in Japan's exclusion from fishing grounds in a 200-mile maritime economic zone established by New Zealand on April 1. New Zealand has signed agreements with the Soviet Union and South Korea to permit their vessels to fish in the zone.

Mr. Talboys said it was regrettable that in the area of agriculture trade—particularly in butter, milk powder, beef and sawn timber—Japan had brought to bear a narrow and selfishly inward-looking interpretation of its domestic interests.

He said New Zealand also found it difficult to understand why changes in Japan's imports of dairy products and beef could not be achieved when retail prices in Japan were five to seven times higher than in New Zealand.

AP-Dow Jones

Zinc price upsurge continues

By John Edwards, Commodities Editor

ZINC PRICES surged further ahead on the London Metal Exchange yesterday to reach the highest level since last July. Cash zinc gained £11.5 to £313.5 a tonne, making a rise of over £33 in the past week alone. But values fell back sharply in late kerb trading with three months falling to £313 after closing £11 up at £318.25.

Confirmation that official strikes are due to begin next Monday at three of the Vieille Montagne zinc producing plants in Belgium helped stimulate further buying interest, already encouraged by the widespread announcement of production cuts throughout Europe. Société de Prayon, another Belgian producer hit by strikes over annual wage claims, said it would continue to deliver zinc as normal drawing on existing stocks.

The company pointed out that the strikes would serve the same purpose as production cuts in helping reduce stocks and restore market "stability."

Rumours persist that producers are planning to raise their European producer price, at which the bulk of zinc is sold, by $50 to $600 a tonne in view of the rise in Metal Exchange values.

Copper prices also rose on reports of an improvement in Japanese consumer buying interest. Cash wirebars closed £10 up at £700.5 a tonne, but fell in late trading following an easier trend in New York and the rise in the value of sterling.

London traders were somewhat surprised at New York's overnight rise on Japanese demand, which they claimed result, the market came under selling, and profit-taking, pressure at the higher levels.

U.S. stockpile tin release plan backed

WASHINGTON, April 5.

THE HOUSE International [R]elations Committee has approved a Bill authorising a U.S. contribution of up to 5,000 long tons of tin to the International Tin Council buffer stock.

[R]epresentative Jonathan Bingham, chairman of the Sub-committee which drafted the Bill, estimated that at current market prices the U.S. contribution actually will come to about 3,500 long tons, worth about $43.5m.

PLANT BREEDING

Fresh grass strains for better pasture

BY MARY CHERRY

PLANT BREEDERS in Northern Ireland are now well advanced in producing productive grasses which are totally unharmed by chemical sprays that will kill grass weeds in their midst. This is good news not only for livestock farmers who rely on first-class pasture but also for the millions of ordinary citizens who labour over lawns which could more accurately be described as botanical experiences.

Botanically, highly productive grasses like perennial ryegrass or desirable lawn grasses like red fescue are similar to much less desirable grasses such as Yorkshire Fog or annual meadow grass so they are all likely to succumb to the same killer chemicals.

Yet within any population of the same species of plants can be found some differences in character or behaviour and it is by searching for plants that showed tolerance—even resistance—to normally lethal doses of grass-killing chemicals and using these in their breeding programmes that plant breeders are achieving their present success.

Professor C. E. Wright, of Queens University, Belfast, speaking at a recent meeting of the British Grassland Society, disclosed that two new perennial ryegrasses bred in Northern Ireland show complete resistance to chemicals. Stormont Causeway is resistant to paraquat (Grammoxone) and Stormont Lagan to dalapon (Dowpon).

Killed weeds

If these varieties were present in a weedy sward it would be posible to kill out the weed grasses with the appropriate chemical. The sown grasses would not be harmed and would be capable of tillering vigorously to fill the spaces left by the killed weeds. Causeway is slightly less productive than Northern Ireland's best ryegrasses but Lagan is every bit as good, according to Professor Wright.

But these are only the forerunners of a range of highly-productive resistant grasses coming along the plant breeders' pipeline. Similar work is in progress at other research institutes, notably the Welsh Plant Breeding Station, Aberystwyth.

Small quantities of seed of both Stormont Lagan and Stormont Causeway are now with the National Seed Development Organisation — responsible for marketing seed bred at U.K. official plant breeding institutes —and the varieties are going through the processes of registration and of multiplication. It will, however, be some years before they are available on the commercial market.

When these varieties are available—and other better chemical-resistant varieties that are coming along—it should be possible to maintain highly productive pastures, which will respond efficiently to nitrogen fertilisers, for much longer periods than at present.

Lawn keepers may have to wait a little longer for their chemical-resistant grasses. However, they can now be assured that they will come and there is the prospect of maintaining uniform green grass free not only from broad-leaved weeds, but also of those lack-lustre intruders that blemish the beauty of lawns and wither away as soon as we have a dry and hot summer.

Countryside debate opened up

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN ANSWER to the growing conflict between farming and what might be called, conservationists as to how the interest of farming and the countryside should be reconciled the Secretary of State for the Environment set up the Countryside Review Committee as recently as 1974.

This committee, made up of representatives from a number of interested ministries, to-day issued a discussion paper which it is hoped will stimulate suggestions as to how a policy can be formulated. The committee has shrunk from suggesting an enforceable code. But has suggested "placing a new statutory duty on Ministers, Government Departments, etc. that they should have regard to the social and economic interests of rural communities."

The real problem is that because of the changes in farming to which the discussion paper refers, the rural population employed in agriculture has fallen dramatically. Most villages except in the remotest areas are populated by a majority who regard the country as an amenity and not as a place of work.

This results in endless conflicts between the farming minority and the rest over planning developments.

The report suggests that the Ministry of Agriculture's Advisory Service, ADAS, should be called in to advise farmers and other interests as to the essential facts of modern social development.

It should really be an assessment of how much food should be produced in Britain. How much of these resources should be allocated towards amenity. And what this is worth in economic terms as well as how much could be afforded.

The Country Landwners Association reacted yesterday to the discussion paper by complaining that too wide a spectrum of unco-ordinated bodies are already inflicted on rural communities and that if anything is done it should be the responsibility of one Ministry alone. It also suggests that rural schools, which are being closed fairly rapidly, should be retained so that a better understanding of rural affairs should be part of education.

U.S. COFFEE USAGE DOWN

NEW YORK, April 5.

Gordon Paton reports that the amount of green coffee roasted in the U.S. (including coffee for soluble production) totalled an estimated 4,110,000 bags between January 1 and March 25 this year, against 4,605,000 bags in the same period last year.

The trade publisher reported roastings in the week ended March 25 were approximately 103.8 per cent. of those roasted in the similar week of 1977.

Reuter

[C]OMMODITY MARKET REPORTS AND PRICES

BASE METALS

[C]OPPER—Firmer on the London Metal [Ex]change. Forward metal rose from £715 [to] £723 on the pre-market following reports of Japanese interest in certain brands of copper. Initial trade selling was well absorbed but at the £723 level profit-taking came into the market and the price eased a shade. In the afternoon a disappointing opening on Comex prompted fresh profit-taking which took forward metal down to £712 on the late Kerb. Turnover: 16,575 tonnes.

[C]OPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
[Wi]rebars				
[Ca]sh	706-.5	+16.5	700-1	+10
[3] months	720.5-1	+16.5	715-.5	+8.75
[Se]tl'm'nt	706.5	+16.5	—	......
[Ca]thodes				
[Ca]sh	695.5-7	+16	691-2	+11
[3] months	711-.5	+15.5	706-.5	+11
[Se]tl'm'nt	697	+15	—	......
[U.]S. Smt.	—	......	64	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £702, 01, 01.5, 02, 01, 01.5, 02, 01.5, 01, 00.5. Cathodes, cash £696, 96.5, three months £711. Kerb: three months £721, 20.5, 20, 19.5, 19, 19.5, 20, 19.5. Afternoon: Wirebars, three months £717, 16, 15, 16, 15.5, 15, 14.5, 15. Cathodes, three months £706.5. Kerb: Wirebars, three months £715, 15.5, 15, 14, 13, 13.5.

TIN—A shade firmer in dull and routine trading. Despite the further fall in the Penang price forward metal opened only a fraction below the previous day's closing levels owing to the firmness of the other metals which prompted short-covering. The price lifted to a day's high of £5,750 but thereafter eased on lack of interest to close at £5,730 on the late Kerb. Turnover: 1,345 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5720-30	+2.5	5710-20	+25
3 months	5760-70	+18	5760-70	+30
Settlem't	5730	+5	—	......
Standard				
Cash	5720-30	+2.5	5710-20	+25
3 months	5750-5	+15	5750-5	+35
Settlem't	5730	+5	—	......
Straits E.	‡$1475	—23	—	......
New York	—	......	—	—

Morning: Standard, cash £5,700, 10, 20, three months £5,730, 25, 30, 35, 40, 45, 50. Kerb: Standard, three months £5,750, 45. Afternoon: Standard, three months £5,740, 45, 50, 55. Kerb: Standard, three months £5,745, 40, 30.

LEAD—Modestly higher. The strength of other base-metals influenced this market with forward metal rising to £318.5 in the morning rings before coming off in line with copper to close at £314.5 on the late Kerb. Turnover: 9,100 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	312-.25	+3.57	309.5-10	+2.25
3 months	317-.25	+3.57	314.5-5	+2.25
Sett'm'nt	312.25	+3.25	—	......
U.S. Spot	—	......	35	......

Morning: Cash £312.5, 13, 12.5, three months £317, 16.5, 17, 17.5, 17. Kerb: three months £317, 16.5. Afternoon: three months £315.5, 15, 14, 14.5, 15. Kerb: three months £315.

ZINC—Sharply higher although below the day's peak. Further consideration of the recent production cutback by Asarco and the strikes at three Belgian plants prompted continuing fresh buying and chartist buying which took forward metal up to £320 on the morning Kerb. In the afternoon, however, profit-taking followed the downturn in other metals and the price weakened to close at £313 on the late Kerb. Turnover: 6,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	315-6	+14.2	313-4	+11.5
3 months	319.5-.75	+14.5	318-.5	+11
S'ment	316	+14.6	—	......
Prm. West	—	......	29	......

Morning: three months £318, 17.5, 18, 18.5, 18, 17, 15, 15.5, 19, 19.5, 19.75. Kerb: three months £319. Afternoon: three months £317, 18, 17.5, 18.5, 18, 18.5. Kerb: three months £317.5, 17, 16.5, 16, 15.5, 15, 13.5, 13.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 4.0p an ounce lower for spot delivery in the London bullion market yesterday at 282.55p. U.S. cent equivalents of the fixing levels were: spot 527.2c, down 5.2c; three-month 535.7c, down 9.0c; six-month 547.3c, down 8.3c; and 12-month 571.1c, down 8.0c. The metal opened at 281.7-282.7p (525-528½c) and closed at 280.2-281.2p (525-526½c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	282.55p	—4.0	280.75p	—4.65
3 months	287.55p	—4.0	285.7p	—4.7
6 months	294.35p	—3.65	—	......
12 months	308.15p	—3.4	—	......

LME—Turnover 174 (172) lots of 10,000 ounces. Morning: Cash 282.4, 2.2, three months 287.5, 7.3, 7.5, 7.7, 7.8, 7.7, 7.9, 7.7, 7.5, 7.4, 7.3, 7.2. Kerb: three months 286.9, 6.7, 6.5, 6.7. Afternoon: three months 285.5, 5.5, 5.6, 5.8, 5.7. Kerb: three months 285.5.

COTTON

COTTON, Liverpool—Spot and shipment sales amounted to 151 tonnes, bringing the total for the week to 456 tonnes, reports F. W. Tattersalls. Only a modest demand came forward with miscellaneous purchases in Middle Eastern qualities. Demand from spinners was chiefly in African and South American growths.

VEGETBLE OILS

LONDON PALM OIL—Close: April 320.00-30.00; May 300.00-30.00; June 300.00-30.00; July 300.00-30.00; Aug. 300.00-30.00; Sept. 290.00-330.00; Oct. 290.00-330.00; Nov. 290.00-315.00; Dec. 280.00-310.00. Sales: Nil.

COCOA

Renewed consumer demand gave rise to a brisk rally from the lows of the day in the absence of producer selling, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Con'tr't			
May	1871.0-74.0	+25.0	1880.0-1810
July	1917.0-18.0	+28.0	1825.0-1858
Sept.	1870.0-73.0	+25.0	1885.0-1614
Dec.	1810.0-16.0	+27.0	1815.0-1781
March	1755.0-70.0	+32.5	1757.0-1711
May	1712.0-15.0	+10.0	1715.0-1675
July	1650.0-30.0	+5.0	—

Sales: 3,520 (2,351) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price April 4: 156.29 (160.79). Indicator prices April 5: 15-day average 158.47 (156.78); 22-day average 155.07 (154.51).

COFFEE

Robustas weakened gradually to-day under persistent selling pressure after the market had opened at the highs, reports Drexel Burnham Lambert. Major support levels at £1,380 basis May and £1,300 basis July were tested in the latter part of the day as New York eased, but the market remained firm until the close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1400-1410	—02.5	1419-1385
July	1307-1309	—04.0	1335-1300
September	1268-1271	+06.5	1290-1255
November	1245-1251	+01.0	1265-1238
January	1210-1225	—10.0	1245
March	1185-1225	—05.0	—
May	1190-1255	—02.5	—

Sales: 2,047 (2,035) lots of 5 tonnes.

ICO indicator prices for April 4 (U.S. cents per pound): Colombian Mild Arabicas 192.00 (194.00); unwashed Arabicas 173.00 (same); other mild Arabicas 174.64 (171.11); Robustas 149.00 (150.00). Daily average 161.82 (168.25).

ARABICAS—The market was quietly steady to-day, DBL reports. At the close values were 1.50 lower to 1.88 higher.

Prices (in order buyer, seller, change, business)—April 201.00-03.50; —0.50; 205.00-04.00. June 175.50-75.75; +1.38; 175.50-74.25. Aug. 160.25-61.00; +0.50; 161.00 only. Oct. 145.00-49.00; +0.50; nil. Dec. 138.25-39.00; +0.38; nil. Feb. 130.00-35.00; —1.50; nil. April 127.00-30.00; same; nil. Sales: 33 (43) lots of 17,250 kilos.

RUBBER

SLIGHTLY EASIER opening on the London physical market. Fair interest throughout the day, closing uncertain. Lewis and Peat report that the Malaysia godown price was 202 (same) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
May	46.25-46.50	46.30-47.50	46.65
June	46.50-47.50	47.30-47.80	47.00
Jly-Sep	48.75-48.80	48.25-49.50	49.00-48.70
Oct-Dec	50.30-50.35	50.85-50.90	50.85-50.30
Jan-Mar	51.95-52.00	52.45-52.50	52.25-51.90
Apr-Jne	53.55-53.80	53.90-54.00	53.80-53.50
Jly-Sep	55.05-55.15	55.45-55.50	55.10-55.00
Oct-Dec	56.45-56.50	56.80-56.85	56.50
Jan-Mar	57.85-57.90	58.10-58.20	58.00-57.90

Sales: 368 (361) lots of 15 tonnes, 10 (1) lots of five tonnes.

Physical closing prices (buyer) were: Spot 46.25p (46.75); May 48.75p (49.0); June 49p (49.25).

GRAINS

WHEAT			BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	91.30	+0.15	79.45	—0.25
Sept.	84.65	—0.60	79.20	—0.30
Nov.	87.35	—0.45	81.70	—0.30
Jan.	89.70	—0.65	84.30	—0.20
Mar.	92.30	—0.55	86.70	—0.25

Business done: Wheat—May 90.10-91.35, Sept. 84.70-84.85, Nov. 87.30-87.45, Jan. 90.00 only, March nil. Sales: 194 lots. Barley—May 79.45-79.60, Sept. 79.00-79.20, Nov. 81.50-81.80, Jan. 84.40 only, March nil. Sales: 174 lots.

LONDON FUTURES (GAFTA)—The market traded up to 110 points lower on the old crop with stop-loss selling the feature but strong commercial and speculative support in old crop barley and large merchant buying in old crop wheat steadied values which gradually moved higher by the close, ending the day 15 points higher in wheat and 25 lower in barley. New crops had a dull day, moving steadily lower on large-scale hedge selling, closing 20-85 lower with more emphasis on wheat than barley. Acli reports.

Wheat: CWRS No. 1 13½ per cent. April-May £94.50, Tilbury. U.S. Dark Northern Spring No. 2 14 per cent. April-1st half May £95.00, May-June £94.50. U.S. Hard Winter ord. unquoted. Australian wheat unquoted. EEC wheat unquoted.

Maize: U.S./French April £104.75, May £105.00 transhipment East coast. S. African Yellow May £76.50 quoted. Kenya grade three unquoted.

Barley: Unquoted.

HGCA—Location ex-farm spot prices. Other milling wheat not quoted. Feed barley—Hertford £74.80.

The U.K. monetary coefficient for the week beginning April 10 will increase to 1.399.

EEC DAILY IMPORT LEVIES—EEC levies and premiums as follows are effective for April 6 in units of account a tonne. In order current levy plus May, June and July premiums (with previous in brackets). Common wheat—85.92, nil, nil, 0.32 (85.92, 0.33, 0.33, 0.95). Durum wheat—130.64, 0.64, 0.64, nil (132.16, nil, nil, nil). Rye—79.56, 2.38, 2.38, 2.55 (79.56, 1.96, 1.96, 1.96). Barley—78.31, nil, nil, nil (79.21, nil, nil, nil). Oats—73.71, nil, nil, nil (77.73, nil, nil, nil). Maize (other than hybrid for seeding)—71.55, 0.97, 0.97, 2.25 (71.85, nil, nil, nil). Buckwheat—1.53, nil, nil, nil (all nil). Millet—78.82, nil, nil, nil (75.82, nil, nil, nil). Grain sorghum—81.26, nil, nil, nil (82.56, nil, nil, nil).

Flour levies: Wheat or mixed wheat and rye flour—132.22 (132.22). Rye flour—124.03 (123.30).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	124.00-26.0	+4.10	124.20-22.00
June	125.50-25.9	+2.95	124.00-21.00
August	125.50-25.7	+2.20	124.00-22.50
October	119.10-20.0	+1.30	119.50
December	115.50-16.0	+1.25	115.50-15.00
February	116.00-18.0	+1.85	116.20
April	116.00-20.0	+1.50	—

Sales: 133 (83) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE for raw sugar £98.50 (£100.00) a tonne cif for April-May shipment. White sugar daily price was fixed at £104.50 (£106).

Sell-at-best orders produced an easier opening and losses of some 100 points were recorded. Thereafter quotations showed little change in dull trading conditions, reports C. Czarnikow. Late in the day higher New York prices stimulated short-covering so the market had recovered some 175 points by the close.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	101.25-01.60	101.00-00.50	102.00-99.50
Aug.	106.80-06.95	106.45-06.50	107.00-05.00
Oct.	110.25-10.75	109.60-09.75	110.00-08.35
Dec.	115.25-14.00	112.75-12.90	114.00-11.50
March	119.75-20.00	119.00-19.25	119.75-18.00
May	123.00-23.50	122.25-22.60	122.25-21.00
Aug.	125.75-26.50	126.00-26.00	124.75-24.50

Sales: 2,338 (2,559) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.30 (same) a ton for home trade and £158.50 (£160.00) for export.

International Sugar Agreement: Indicator prices (U.S. cents per pound fob and stowed Caribbean port) for April 4: Daily 7.59 (7.75); 15-day average 7.55 (7.56).

MEAT/VEGETABLES

SMITHFIELD (prices in pence per pound)—Beef: Scottish killed sides 52.0 to 55.5; Eire hindquarters 66.0 to 70.0, forequarters 36.0 to 40.0.

Lamb: English small 54.0 to 64.0, medium 50.0 to 59.0, heavy 40.0 to 51.0; Scottish medium 51.0 to 58.0, heavy 48.0 to 51.0. Imported frozen: NZ PL 45.0 to 46.0, PM 44.0 to 44.5, PH 43.0 to 44.0, YLs 44.0 to 45.5.

Pork: English, under 100 lbs 35.0 to 43.0, 100-120 lbs 35.0 to 42.0, 120-160 lbs 36.0 to 41.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 5. GB—cattle 67.60p per kg. l.w (+0.54); UK—sheep 138.6p per kg. est. d.c.w. (—2.3); GB—pigs 61.5p per kg. l.w. (—0.4). England and Wales—Cattle numbers down 2.5 per cent., average price 67.69p (—0.07); Sheep numbers down 22.3 per cent., average price 138.8p (—2.0); Pig numbers up 2.9 per cent., average 61.8p (—0.3). Scotland—Cattle numbers up 13.6 per cent., average price 68.19p (—2.48); Sheep numbers up 33.3 per cent., average price 136.6p (+0.4).

MLC forecast rates of U.K. monetary compensatory amounts for week commencing April 10 (with previous week's figures in brackets). Fresh or chilled beef carcases: 38.43p per kg. (33.17). Green bacon sides: £250.22 per tonne (241.39).

COVENT GARDEN (prices in sterling per package except where otherwise stated)—Imported produce: Oranges—Spania: Navels 3.60-4.40; Cyprus: Valencia Lates 15 kilos 3.40-3.60; Jaffa: Shamouti 3.75-4.05; Egyptian: Valencia Lates 2.60; Moroccan: 2.70-3.00. Lemons—Italian: 100/120s 2.50-3.60; Cyprus: 2.40-3.00; Spania: Small trays 25/50s 1.60. Grapefruit—Cyprus: 15 kilos 2.50-2.60; 20 kilos 3.00-3.40; Jaffa: 20 kilos 3.00-3.75. Apples—French: Golden Delicious 20-lb 64s 2.40-2.70, 72s 2.70-3.00; 40-lb 5.40-6.00. Golden Delicious, jumble pack, per pound 0.11-0.14; Italian: Rome Beauty, per pound 0.14, 0.16; U.S.: Red Delicious 7.50-8.00, Macintosh 7.50-7.80; S. African: Dunn's 5.80-6.50, Jonathan 6.80-7.20; Starking Delicious 7.30-7.50; Chilean: Granny Smith 7.20-7.60. Pears—S. African: Williams Bon Chretien 6.60-6.70, Beurre Hardy 5.80-6.20; Italian: Passacrassane trays 13/14-lb 1.60-1.70; Dutch: Conference per pound 0.14; Victorian: Williams Bon Chretien 7.50; Chilean: Packham's 7.00; Argentine: Packham's Triumph 7.50. Grapes—S. African: Waltham Cross 5.50-6.00, Barlinka 5.40-5.50, Salba 5.10-5.20. Plums—S. African: Golden King/Songold per pound 0.45-0.48. Bananas—Jamaican: Per pound 0.15. Melons—Chilean: White 4.50, Green 5.50; S. African: White 3.00. Avocados—Israeli: Hass 16/24s 3.30-3.70; Kenya: Fuerte 14/24s 4.00-4.50; S. African: Fuerte 4.30-4.50. Strawberries—Israeli: 0.40; Spanish: 0.39-0.45. Lettuce—Dutch: 24s 2.00. Pineapples—Ivory Coast: 0.35-0.90 each. Onions—Dutch: Large 2.60-2.70, medium 1.80; Polish: 2.60; Chilean: Bags approx. 50-lb 3.5s 5.50; boxes approx. 42-lb 100s 6.00. Capsicums—Kenya: Per pound 0.40-0.43; Canary: 0.28. Celery—Spanish: 15s/36s 5.20-6.00. Potatoes—Canary: 3.60-3.70; Egyptian: 3.50-3.90. Cauliflowers—French: 24s 4.60; Jersey: 4.60. Cucumbers—Dutch: 14/16s 1.60-2.00; Canary: 1.00-1.20. Tomatoes—Canary: 3.00-4.50; Jersey: Per pound 0.45.

English produce: Potatoes—Per 56-lb. Whites/Reds 1.70-2.20. Lettuce—Per 12s 0.70-0.90. Beetroots—Per 28-lb 1.30-1.40. Sprouts—Per pound 0.12. Turnips—Per 28-lb 0.80. Carrots—Per bag 0.60-1.00. Parsnips—Per 28-lb 0.80-1.00. Onions—Per 56-lb 1.80-2.20. Swedes—Per 28-lb 0.40-0.45. Rhubarb—Per pound, outdoor, 0.10-0.12. Cucumbers—Per tray 12/24s 1.40-2.20. Mushrooms—Per pound 0.40. Apples—Per pound Bramley's 0.14-0.19, Cox's Orange Pippins 0.10-0.25, Laxtons 0.08-0.12. Pears—Per pound Conference 0.11-0.15. Tomatoes—Per pound English 0.37-0.40.

WOOL FUTURES

LONDON—The market was dull and featureless, reports Bache Halsey Stuart. (Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
May	222.0-25.0	......	—
July	227.0-32.0	—0.5	—
October	232.0-35.0	+0.5	—
December	234.0-37.0	—0.5	—
March	238.0-39.0	......	—
May	238.0-42.0	......	—
July	238.0-45.0	......	—
October	238.0-47.0	......	—

Sales: 0 (0) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales). Micron Contract—May 340.0-340.5, 340.0-340.0, 1; July 345.5-343.0, 345.0-343.9, 2; Oct. 349.5-350.0, 350.0-349.14, 23; Dec 351.2-357.3, 357.5-354.7, 17; March 363.0-363.4, 363.7-362.9, 11; May 367.0-368.0, 367.5-367.5, 1; July 370.0-371.0, 370.1-370.0, 17; Oct. 371.5-372.5, 372.0-371.5, 10. Total sales: 82.

HIDES—Leeds. Firm but with poor clearance. Ox 31-35½ kilos 47.2p per kilo, 26-30½ kilos withdrawn 50.8p, 22-25 kilos withdrawn 60p. Light cows withdrawn 52.6p per kilo. No calf offered.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 5 1978	+ or —	Month ago
Metals			
Aluminium	£680	......	£680
Free market (cts)	$950-80	......	$950-60
Copper cash W. Bars	£700.5	+10.0	£638.25
3 months do. do.	£715.25	+9.75	£651.75
Cash Cathode	£691.5	+11.0	£628.5
3 months do. do.	£706.25	+11.0	£641.75
Gold Troy oz.	$178.875	—0.75	$189.625
Lead Cash	£309.75	+2.25	£298.5
3 months	£314.75	+2.25	£301.625
Nickel		......	
Free Market (cif)	$1.9 - 2.04	......	$1.85-2.04
Platinum troy oz.	£117.50	......	£114.5
Free Market	£117.05	—2.0	£124.30
Quicksilver (76lb.)	$150/50	......	$125-2-
Silver troy oz.	282.55p	—4.0	274.65p
3 months	287.55p	—4.0	279.55p
Tin Cash	£5,715	+25.0	£6,105
3 months	£5,752.5	+35.0	£6,056.5
Wolfram 22.04lb cif	$145-50	—2.5	$148-54
Zinc cash	£313.5	+11.5	£260
3 months	£318.25	+11.0	£280.75
Producers	$550	......	$550
Oils			
Coconut (Phil)	$610y	......	$645
Groundnut	$732	......	£601
Linseed Crude (r)	$518	......	$304
Palm Malayan	$559u	+3.0	$580
Seeds			
Copra Philip	$400r	......	$440
Soyabean (U.S.)	$283z	+5.0	$266
Grains			
Barley EEC			
Home Futures	£79.45	—0.25	£71.4
Maize			
French No. 3 Am	£104.75	......	£100
Wheat			
No.1 Red Spring	£94.5y	+1.5	£88
No2 Hard Winter			
English Milling	£97.25	......	£94
Cocoa shipment	£2,019	+82.0	£1,798
Future May	£1,917.5	+26.5	£1,732
Coffee Future			
May	£1,308	—4.0	£1,380.5
Cotton 'A' Index	68.85c	+0.2	67.85c
Rubber kilo	46.25p	—0.5	48p
Sugar (Raw)	£98.5	—1.5	£100.5
Wooltops 64s kilo	272p	......	271p

Nominal. ‡ Unquoted. *σ* April. *x* May-June. *u* June. *n* April-June. *y* April-May. *z* May. *x* Per ton.

INDICES

FINANCIAL TIMES

Apr. 4	Apr. 3	Month ago	Year ago
234.95	235.01	231.85	271.79

(Base: July 1, 1952=100)

REUTER'S

April 5	April 4	Month ago	Year ago
1431.6	1428.3	1384.1	1724.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	April 4	April 3	Month ago	Year ago
Spot	359.72	361.16	363.98	427.33
Futures	348.16	347.94	353.06	413.53

(Average 1924-25-26=100)

MOODY'S

Moody's	April 4	April 3	Month ago	Year ago
Staple Commty	904.8	906.7	896.0	948.0

(December 31, 1931=100)

GRIMSBY FISH—Supply fair and demand good. Prices per stone at ship's side (unprocessed): Shelf Cod £3.80-£4.40, Codlings £2.00-£3.60, Large haddock £4.30-£4.50, medium haddock £3.50-£4.00, small haddock £2.50-£3.20, Medium plaice £3.90, best small plaice £3.00-£3.45, Skinned dogfish (medium) £9.50, Rockfish £2.40-£3.10, Reds £1.60-£2.30, Saithe £2.00-£3.50.

U.S. Markets

Gold opens firm but falls later

NEW YORK, April 4.

GOLD OPENED firmer to-day then declined on comment by a former Treasury Dept. official re-confirming President Carter's policy that the Government will sell gold in order to strengthen the dollar. Silver followed in sympathy. Sugar closed lower after Commission House stop-loss selling was partially absorbed by trade buying, reports Bache.

Cocoa—May 158.00 (162.50), July 152.35 (156.35), Sept. 149.25, Dec. 143.75, March 140.05, May 137.60, July 135.25. Sales 1,263.

Coffee—"C" Contract: May 164.25-164.50 (162.50), July 145.50-148.50 (145.89), Sept. 134.49, Dec. 122.00, March 115.00-115.50, May 112.00-114.00, July 110.50-115.00, Sept. 110.00-112.00.

Copper—April 61.00 (59.70), May 61.50 (60.20), June 62.10, July 62.60, Sept. 63.60, Dec. 65.00, Jan. 65.50, March 66.50, May 67.50, July 68.50, Sept. 69.50, Dec. 71.00, Jan. 71.50. Sales: 6,000.

Cotton—No. 2—May 58.15 (58.64), July 57.55 (56.75), Oct. 59.15-59.20, Dec. 59.97-60.01, March 61.35, May 61.95-62.10, July 62.60-62.80. Sales: 655,000.

*Gold—April 177.30 (177.80), May 178.20 (178.80), June 179.20, Aug. 181.60, Oct. 184.10, Dec. 186.60, Feb. 189.20, April 192.00, June 194.90, Aug. 197.80, Oct. 200.70, Dec. 203.60, Feb. 206.60. Sales: 15,000.

† Lard—Chicago loose 25.75 (same).

‡ Maize—May 256¼-256 (254½), July 254¼-255 (254¼), Sept. 254½, Dec. 256¼-256, March 263¼-263½, May 266.

§Platinum—April 219.40-219.60ba (221.00), July 223.00-223.80 (224.90), Oct. 227.00-227.30, Jan. 231.40-231.60, April 235.00, July 239.50-239.70. Sales: 2,317.

¶Silver—spot 516.10 (539.60), April 521.70 (529.90), May 524.70 (533.20), June 526.50, July 532.40, Sept. 540.30, Dec. 552.40, Jan. 556.50, March 564.50, May 573.20, July 581.70, Sept. 590.30, Dec. 603.00, Jan. 607.20. Sales: 22,000.

Soybeans—May 669-674 (659-659½), July 673-670 (665), Aug. 662, Sept. 626-629, Nov. 609-610, Jan. 614-615, Mar. 623-622½, May 627-627½.

Soybean Oil—May 24.85-24.75 (25.15), July 24.30-24.20 (24.60), Aug. 23.55, Sept. 22.50, Oct. 21.85-21.70, Dec. 21.30-21.10, Jan. 21.10-21.00, Mar. 21.05-21.10, May 20.90-21.00.

Soybean Meal — May 175.80-176.00 (171.80), July 178.50-178.00 (174.40), Aug. 179.50, Sept. 173.00-173.50, Oct. 167.70-168.00, Dec. 168.50-169.00, Jan. 169.50, March 172.00-173.00.

Sugar—No. 11: May 7.64-7.67 (7.67), July 7.97-7.99 (7.98), Sept. 8.24, Oct. 8.37-8.38, Jan. 8.70-8.95, March 9.15-9.20, May 9.37-9.40, July 9.61-9.63, Sept. 9.75-9.82. Sales: 4,635.

Tin—488-498 asked (499-500 asked).

**Wheat—May 319-317 (311½), July 321-320 (313), Sept. 325½, Dec. 333-332½, March 342, May 344.

Winnipeg, April 4. ††Rye—May 114.10 bid (113.60 bid), July 111.50 bid (111.00), Oct. 110.60, Nov. 107.50 nom., Dec. 108.00 nom.

††Oats—May 80.90 bid (80.80), July 78.90 asked (78.60 asked), Oct. 77.50 bid, Dec. 75.90 nom.

‡‡Barley—May 81.60 (80.60), July 81.30 (80.10 bid), Oct. 80.30 bid, Dec. 79.90 nom.

§§Flaxseed—May 242.00 bid (241.00), July 240.50 asked (239.00), Oct. 238.00 asked, Nov. 239.20 bid, Dec. 238.50 bid.

¶¶Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 163.57.

All cents per pound ex-warehouse unless otherwise stated. *$s per troy ounces—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 34 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

LEADERS AND LAGGARDS

[Gold] Mines	+11.76	500 Share Index	— 3.89
[Offic]e Equipment	+ 3.43	Electronics, Radio and TV	— 4.06
[Tob]accos	+ 3.24	All-Share Index	— 4.07
[Min]ing Finance	+ 1.80	Financial Group	— 4.60
[Overse]al and Metal Farming	+ 1.69	Stores	— 5.37
[Insu]rance Brokers	+ 1.05	Pharmaceutical Products	— 5.50
[Wine]s and Spirits	+ 0.66	Entertainment and Catering	— 5.65
[Toy]s and Games	+ 0.66	Insurance (Composite)	— 5.83
[Deal]ers and Distributors	— 0.14	Electricals	— 5.95
[Ove]rseas Traders	— 0.16	Food Manufacturing	— 5.97
[Mec]hanical Engineering	— 0.20	Contracting and Construction	— 6.00
[Che]micals	— 0.24	Building Materials	— 6.03
[Text]iles	— 0.42	Oils	— 6.19
[Insu]rance (Life)	— 0.47	Property	— 7.36
[Pac]kaging and Paper	— 0.59	Merchant Banks	— 7.37
[New]spapers and Publishing	— 1.90	Household Goods	— 7.49
[Mot]ors	— 2.17	Investment Trusts	— 8.85
[Cons]umer Goods (Durable) Group	— 3.00	Hire Purchase	—10.38
[Eng]ineering Contractors	— 3.26	Shipping	—10.86
[Capi]tal Goods Group	— 3.28	Food Retailing	—11.00
[Indu]strial Group	— 3.46	Discount Houses	—15.32
[Othe]r Groups	— 3.60		
[Cons]umer Goods (Non-durable) G[roup]	— 3.61		
[Bre]wers	— 3.67		

† Percentage changes based on Tuesday, April 4, 1978, indices.

STOCK EXCHANGE REPORT

Markets enlivened by a flurry of bid speculation

Share index up 2.4 at 470.2—Golds give ground

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar. 13	Mar. 30	Mar. 31	Apr. 11
Apr. 3	Apr. 13	Apr. 14	Apr. 25
Apr. 17	Apr. 27	Apr. 28	May 10

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock Markets lapsed into a state of pre-Budget lethargy yesterday. Nevertheless, the undertone remained firm and a fresh bout of take-over speculation helped enliven the day's trading in the equity sectors. Further consideration of the banking figures led to an improvement in British Funds and the Government Securities index, up 0.22 at 74.06, recorded its first rise for a fortnight.

Leading equities were inclined easier at the start in anticipation of profit-taking after the previous day's advance, but edged higher when *this failed to materialise* and by noon the FT 30-share index was showing an improvement of 2.3. Thereafter, prices rarely strayed from the slightly enhanced levels and the index closed 2.4 up on the day at 470.2. Secondary issues fared a little better than the leaders in the way *of activity*, selective demand for the former being reflected in majority of rises over falls, by about five-to-two, in FT-quoted Industrials.

Among the sectors, a substantial amount of the day's bid speculation centred on Foods, which provided some noteworthy features, while Budget optimism prompted further buying interest in Stores where some further useful gains were recorded. In contrast, annual results below market expectations from both Phoenix and Sun Alliance unsettled Composite Insurance shares and the FT-Actuaries index for the subsection eased 1.1 per cent. to 128.07. The fall in *activity was reflected in official* bargains of 4,844 compared with 5,414 on Tuesday.

Long Gilts rally

Revised marekt opinions about the latest growth in money supply saw an early re-adjustment in quotations for British Funds. Longer maturities opened ⅜ higher to come into line with the previous day's 3.30 p.m. close, and moved up a further ¼ on a small demand which found sellers lacking. *The higher levels were held* for the remainder of the day and slightly improved upon in the *after-hours' business.* The shorts were less positive and while dates from 1981 onwards often made progress, the early maturities frequently gave ground. Calls for higher interest rates to curb money supply apparently created more fo an impression at this end of the market than among the longer-dated issues. Corporations joined in the upturn and the recently-issued scrip, Tameside 10⅜ per cent. 1984/85, rallied ⅜ to £50⅜, in £50-paid form.

Owing to a generally light level of trade, the trend in sterling was a more poignant factor in the *investment currency market.* When the exchange rate slipped initially, the premium rose to 102¼ per cent. but it reacted late to close only a net ⅜ higher at 101¾ per cent. following sterling's subsequent improvement. Yesetrday's *SE conversion factor was 0.6898* (0.6902).

Composites disappoint

Disappointing annual results from **Sun Alliance** and **Phoenix** prompted a *reaction in both and* made for dullness in other Composite Insurances; the former fell away from an initial firm level of 555p to finish 12 lower on the day at 536p, while the latter were *only* 4 easier at 258p, after 255p. Sympathetic falls of 6 and 2 respectively were seen elsewhere in **Guardian Royal Exchange**, 226p, and **General Accident**, 218p, while **Commercial Union** softened a penny to 149p as did **Eagle Star**, *to 148p.*

G. R. Dawes were dull among Banks, closing 5 off at 65p, after 60p, on disappointment with the second liquidation payment of 35p against hopes for 50p: the reduced rate is because of a formal claim made against the company by Duport. Elsewhere, **Hong Kong and Shanghai** edged forward 2 to 262p following the group's attempts to acquire a 51 per cent. shareholding in Marine Midland Bank *of the U.S.*

Breweries remained quiet and rarely stirred from the overnight levels. **Allied** closed without alteration at 88p, while **Whitbread** "A" were slightly dearer at 89½p and **Bass Charrington** a penny harder at 157p. **Distillers** edged up 2 to 180p and **A. Bell** hardened 3 to 230p.

Buildings recorded some useful gains. Speculative buying in a thin *market* prompted a jump of *18 to 173p in* **Newarthill**, *while* support of a similar nature lifted **SGB** 5 to 149p and **Marchwiel** 7 to 285p. **Brown and Jackson**, still on bid hopes, hardened 2 more to 60p and **John Finlan** closed 3 to the good at 34p. **Tilbury Contracting** rose 25 to 265p in response to the beter-than-expected preliminary results, while **Watts Blake and Bearne** moved forward 3 to 148p following comment on the annual *results. In front of their respec*tive preliminary announcements, due to-day, **Taylor Woodrow** hardened 2 to 382p, after 384p, but **London Brick** cheapened a penny to 61p.

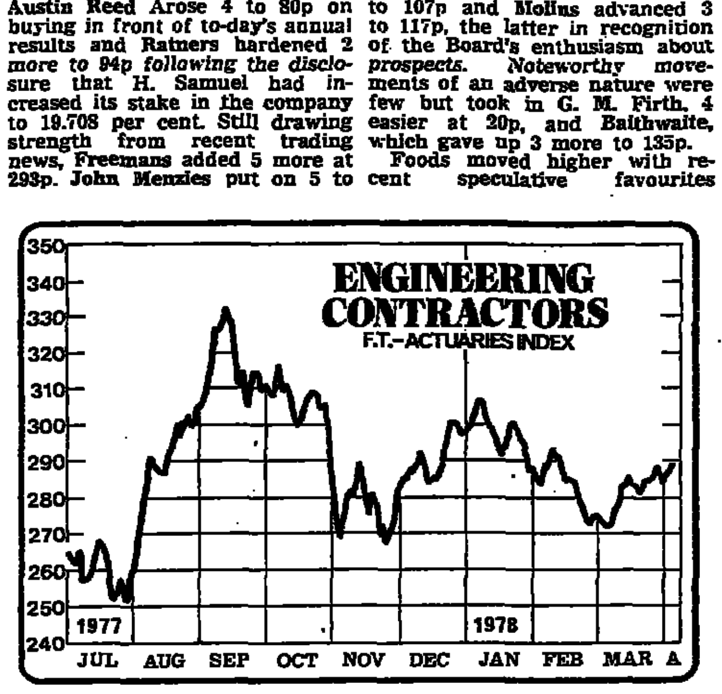
Among quietly firm Chemicals, **ICI** edged forward 3 more to 365p and gains of 5 and 6 respectively were seen in **Wolstenholme**, 185p, and **Blagden and Noakes**, 226p.

Stores up again

Although the tone continued firm on Budget optimism, the volume of business contracted considerably in leading Stores. **British Home** put on 5 more to 183p as did **Gussies A** to 298p, while **Combined English** improved 3 to 86p and **Mothercare** haredend 2 to 158p. **W. H. Smith A**, on the other hand, eased 2 to 157p in response to the uninspiring preliminary figures. Elsewhere, **Austin Reed** Arose 4 to 80p on buying *in front of to-day's annual* results and **Ratners** hardened 2 *more to 94p following the disclo*sure that H. Samuel had increased its stake in the company to 19.708 per cent. Still drawing strength from recent trading news, **Freemans** added 5 more at 293p. **John Menzies** put on 5 to 155p and improvements of around 3 were recorded in **Forminster**, 130p, **Hardy (Furnishers)**, 31p, and **Vantona**, 123p. In Shoes, **Hiltons Footwear** appreciated 3 to 76p on the higher *annual profits.*

Better-than-expected annual results pushed **BICC** smartly ahead to close around the day's best with a rise of 10 at 116p. Elsewhere in the Electrical sector, *leading issues were inclined* harder, but **Thorn**, after touching 360p, ended 2 lower on balance at 356p following news of the company's decision to close its colour television assembly plants at Bradford and Windhill in Yorkshire. **Farnell** found support at 212p, up 6, while **Pressac** were noteworthy for a *similar* improvement at 88p. **Racal** continued firmly, hardening 4 more to 218p.

Preliminary figures broadly in line with market estimates cooled interest in **GKN** which settled at the overnight price of 274p after having traded narrowly either side of that level. Investment funds, however, were still about *for other Engineerings including* **Davy International**, 6 higher at 225p, helped by the U.S. expansion, and **John Brown**, 5 up at 293p, after 295p. Press comment aroused support of **Vickers**, 4 dearer at 183p, while **Spirax-Sarco** put on 4 further to 276p in continued response to the record profits and forecast of fresh improvement in the current year. Country buying lifted **J. and H. B. Jackson** 3 to 29p, **Whittington Engineering** moved up 3 to 68p mirroring the increased profits *and* **Stone-Platt** were 2½ better at 107½p following the chairman's annual statement. Elsewhere, **James Austin** rose 5 to 107p and **Mollns** advanced 3 to 117p, the latter in recognition of the Board's enthusiasm about *prospects.* Noteworthy movements of an adverse nature were few but took in **G. M. Firth**, 4 easier at 20p, and **Baithwaite**, which gave up 3 more to 135p.



Foods moved higher with recent speculative favourites prominent. **Nurdin and Peacock** hardened 3 more to 85p, while gains of 6 wer seen in **J. Bibby**, 211p, and **Geo. Bassett**, 140p. **Avana** were active and 1½ firmer at 30½p, while **Pork Farms** rose 8 to a 1978 peak of 440p with the help of a broker's circular. **Cadbury Schweppes** edged forward a penny to 55½p in front of to-day's preliminary figures, while **Associated Dairies** improved *3 more to 227p and* **Rowntree Mackintosh** 7 to 387p. By way of contrast, small selling in a thin market left **Linfood** 5 cheaper at 142p. On the profits setback, **J. E. England** were also dull at 33p, down 2. In Supermarkets, **Wheatsheaf Distribution** rose 6 to 166p as bid hopes revived. **Tesco** closed 1½ harder at 42½p and **Hillards** 3 better at 208p.

Queens Moat Houses continued to figures prominently in *Hotels* and Caterers, rising afresh to a 1978 peak of 36p before closing only a penny better on balance at 33p following the company's bid denial. **City Hotels** were supported at 100p, up 5, but small sales *clipped 1½ from* **Warner Holidays** A at 24p. **Savoy A**, at 76p, gave up half the previous day's rise of 2 which followed the preliminary figures and capital proposal.

Letraset good

Secondary stocks with a speculative flavour provided most of the interest in miscellaneous Industrials. Despite the Board's recent bid denial, **Letraset International** were again well to the fore, *touching 148p on good sup*port before closing a further 8 higher on balance at 142p; **Reckitt and Colman** was again mentioned as being a likely suitor. **RFD** put on 3 to 56p, **Hoskins and Horton** added 6 at 156p, and **Christies** *International* were 5 better at 90p. **Johnson Matthey** ended 6 dearer at 413p, while **Robert McBride** jumped 25 to 365p in response to the higher annual profits and **Black and Edgington** closed 4 higher at 106p for a similar reason. **Giltspur** edged forward 2 to 52p following an investment recommendation, but the cautious statement accompanying the preliminary figures unsettled **Unicorn Industries**, 3 easier at 92p. **Boosey and Hawkes** dipped 4 to 203p in reaction to the lower annual profits. Of the narrowly mixed leaders, **Bowater** lost the turn to 192p in front of to-day's preliminary results. **Reed International**, however, hardened 3 *more to 117p and* **Beecham** *im*proved 2 to 647p.

Little of interest occurred in Motors and Distributors. **Lucas Industries** were finally 2 harder at 286p, after 288p, while renewed interest took **Turner Manufacturing** up 4 to 104p and left **Associated Engineering** 5 better at 116p. **Lex Service** continued firmly, rising 1½ to 77½p for a two-day gain of 4 on the chairman's optimistic statement which accompanied the annual report. **Appleyard** picked up a penny at 84p on further consideration of the results, while **Fodens**, 55p, and **York Trailer**, 58p, put on 2 apiece.

A quietly firm trend prevailed *in Newspapers and kindred* trades. **Liverpool Daily Post** put on 6 to 132p and **United** rose 4 to 350p. **Harrison and Sons** advanced 5 to 66p on further consideration of the annual results but **British Printing**, which report preliminary figures to-day, softened a shade to 46p.

Greencoat weaken

Properties were a lack-lustre sector featured only by **Greencoat** which fell 3 to 5p on the loss incurred by the development at Grancanal in the first six months of the current year. **Law Land** reacted to the lower revenue by easing a penny to 42p, while news of the deal involving **Control Securities** and **Estates and General** left the former a shade off at 27½p and the latter slightly dearer at 17½p. Elsewhere, **Land Securities** picked up the turn to 208p and **Stock Conversion** gained 2 more to 232p, but **MEPC** slipped a penny to 116p. **Great Portland** rallied a little more to 282p, **Bellway** hardened to 69p and **Glanfield Securities**, in a thin market, rebounded 7 to 282p.

Further U.S. selling, often encouraged by currency considerations, of **British Petroleum** was easily countered by local support and the close was 4 higher at 756p. Secondary Oils also improved, **Siebens (U.K.)** regaining 6 to 258p, while **Ultramar**, 226p, and **Oil Exploration**, 208p, hardened 2 apiece. **Tricentrol** were the same amount dearer at 136p, but news that the North Sea Thistle Field, in which the compan *yhas a 9.65 per cent. in*terest, had come on stream made little impact. Against the general trend, **Shell** eased 2 to 518p as fresh small selling added to an adequate supply situation.

Japanese isseus came to the fore in Investment Trusts, rising sharply in sympathy with the strength of the Tokyo market. **GT Japan** advanced 8 to a 1978 peak of 118p, while **Jardine Japan**, 128p, and **Crescent Japan**, 157p, put on 5 and 6 respectively. Elsewhere, **Kingside Investment** jumped 7 to 55p on the announcement that the company had received a bid approach. **Scottish and Continental Investment** closed marginally harder at 67p following the interim figures and unitisation proposal, while **Camellia Investments** rose 6 to 200p reflecting the proposed merger of **Jokai Tea** and **Longbourne**. **Berry Trust** were active and 1½ harder at 54½p, *after 56p, while other firm* spots included **Investing in Success**, 3 better at 121p, and **Jersey General**, 5 higher at 239p.

Apart from fresh weakness in **Common Bros.**, 4 cheaper at a 1978 low of 118p on the occasional small scale, Shippings hovered around the previous closing levels.

Among Textiles, **H. Ingram** rose 3 to 37p in response to Press comment. **Lister** hardened 2 to 48p, but the guarded optimism expressed by the chairman at the annual meeting failed to sustain **Carrington Viyella**, which closed a shade easier at 39½p. Tobaccos were idle and featureless.

Among South African Industrials, **Primrose** closed 3 better at 88p following confirmation that the Tongaat Group is not proceeding with its bid.

Plantations spent a quiet session. **London Sumatra** edged bid developments, while **Jokai Tea** forward 2 to 130p awaiting fresh and **Longbourne** held the previous day's rises of 8 at the common price of 280p which followed news that they were both involved in *merger discussions.*

Golds down again

Continuing talks of possible U.S. Treasury gold sales depressed the bullion price to $178.875 per *ounce—a day's fall of 75 cents* and a three-day decline of $4.75 and led to further selling of South African gold shares.

The Gold Mines index dropped 4.5 more to 151.6 a cumulative *loss of 7.1 over the past three* years. Selling pressure was by no means heavy, however, and prices mostly reflected a lack of any buying interest.

Initially, small offerings came from the Cape and in the late trade U.S. *selling was reported* leaving share prices at the day's lowest levels.

Heavyweights registered losses of up to a half-point as in Randfontein, £36, Free State Geduld, £16¼, and Western Holdings, £17½, while Hartebeest gave up ½ at £11. Medium-priced issues showed Western Deep 35 off at 738p and marginals were featured by Durban Deep which dropped 22 to 202p.

South African Financials moved similarly to golds. De Beers receded 6 more to 316p for a three-day loss of 24p, while Anglo American Corporation gave up 5 to 298p "Amgold" closed cheaper at £16¼.

Among London-registered Financials Gold Fields eased 3 to 177p following the half-year results. Other London issues moved narrowly.

Cape selling caused losses of around 3 in Rustenburg and Bishopsgate at 78p and 70p respectively. In Coppers Messina initially hardened to 90p but thereafter lost ground owing to Cape selling to close 2 easier on balance at 88p.

A marginally lower trend in overnight Sydney and Melbourne markets saw Australians move down at the outset of trading but they were only a fraction down on balance at the close.

Uraniums lost ground with continental 25 lower at 225p, Wallsend 5 off at 440p and Industries a similar amount down at 175p. The fall in the price prompted a 4 loss in Mines of Kalgoorlie at 56p.

FINANCIAL TIMES STOCK INDICES

—	Apr. 5	Apr. 4	Apr. 3	Mar. 31	Mar. 30	Mar. 29	A year ago
Government Secs.	74.06	73.84	73.86	73.89	74.05	74.44	69.7
Fixed Interest	77.31	77.22	77.16	77.38	77.77	77.90	70.2
Industrial Ordinary	470.2	467.8	462.5	463.8	467.7	468.1	400.
Gold Mines	151.6	156.1	157.4	158.7	152.9	156.4	119.
Ord. Div. Yield	5.76	5.79	5.84	5.81	5.77	5.77	5.6
Earnings Y'ld%(full)(*)	16.60	17.01	17.17	17.07	17.04	17.05	17.5
P/E Ratio (net)(*†)	8.50	8.25	8.18	8.22	8.24	8.24	8.1
Dealings marked	4,844	5,414	4,839	5,498	5,045	5,061	7,6?
Equity turnover £m.	—	76.39	60.56	74.54	72.87	79.88	74.1
Equity bargains total	—	22,523	19,112	18,315	19,232	19,907	18,56

10 a.m. 468.0. 11 a.m. 469.2. Noon 470.1. 1 p.m. 470.0. 2 p.m. 470.0. 3 p.m. 470.2.
Latest Index 01-246 8026.
* Based on 52 per cent. corporation tax. † Nil=8.44.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	73.84 (4/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	77.14 (16/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (6/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/3)	130.3 (6/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 5	Apr. 4
—Daily		
Gilt-Edged	163.4	161.
Industries	180.8	186.
Speculative	40.9	53.
Totals	110.3	123.
5-day Av'rage		
Gilt-Edged	162.8	166.
Industrials	175.4	176.
Speculative	47.6	51.
Total	116.7	117.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (103)

AMERICANS (4)
CANADIANS (1)
BANKS (1)
BUILDINGS (6)
CHEMICALS (3)
DRAPERY & STORES (9)
ELECTRICALS (4)
ENGINEERING (12)
FOODS (3)
HOTELS (1)
INDUSTRIALS (29)
INSURANCE (1)
MOTORS (1)
NEWSPAPERS (1)
PROPERTY (3)
SHOES (2)
TEXTILES (5)
TRUSTS (10)
OVERSEAS TRADERS (3)
RUBBERS (2)
TEAS (1)

NEW LOWS (24)

BRITISH FUNDS (3)
Treas. 10½pc 1979 Treas. 9½pc 1980
Treas. 11½pc 1979
CANADIANS (3)
Can. Pac. 4pc Db.
BANKS (1)
Allen Harvey Ross
BUILDINGS (1)
London Brick
CHEMICALS (1)
Allied Colloids
DRAPERY & STORES (2)
Geller (A. J.) Sherman (S.)
ENGINEERING (3)
Allen (W. G.) Firth (G. M.)
FOODS (2)
Fisher (A.) Edwards Cook
INDUSTRIALS (5)
Norvic Securities
INSURANCE (1)
Moran (C.)
PROPERTY (2)
Law Land Greencoat
SHIPPING (1)
Common Bros.
TEXTILES (1)
Montfort
OVERSEAS TRADERS (2)
Paterson Zochonis Paterson Zoch. A

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dominion and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	668	[illegible]	[illegible]

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PLANT AND MACHINERY

OPTIONS TRADED

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 21	Apr. 10	Jun. 22	July 4
Apr. 11	Apr. 24	July 6	July 18
Apr. 25	May 9	July 20	Aug. 1

For rate indications see end of Share Information Service

Stocks favoured for the call included **KCA Drilling**, **Rio Tinto-Zinc**, **Suits**, **Keyser Ullmann**, **Siebens Oil (U.K.)**, **H. Wigfall**, **Sotheby's**, **Burmah Oil**, **Charterhall**, **Staflex International**, **Walker and Homer**, **South Crofty**, **St. Piran**, **P. and O. Deferred**, **Manson Finance**, **Lonrho**, **Lofs**, **Daejan**, **United City Merchants**, **Adda International**, **Tricentrol**, **Fitch Lovell**, **Nurdin and Peacock**, **New Throgmorton** Capital, **Bellway**, **Wheat***sheaf Distribution, Group Lotus*, **Cons. Gold Fields**, **Intereuropean Property** and **Ladbroke Warrants**. Puts were dealt in **Highland Distilleries** and **Christopher Moran**, while doubles were arranged in **KCA Drilling**, **Letraset**, **Cons. Gold Fields**, **Grand Metropolitan Warrants**, **William Press**, **H. Wigfall**, **United City Merchants**, **Adda International**, **Fitch Lovell** and **Burmah Oil**. Short-dated puts were transacted in **Furness Withy** and **Bowater**, while a double was arranged in **Fitch Lovell**.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Shell Transport	25p	12	518	−2	533	484
BATs Defd.	25p	11	265	+3	305	227
BP	£1	11	756	+4	864	720
GKN	£1	10	274	—	282	264
Lonrho	25p	10	70	—	78	67
Burmah Oil	£1	9	45	+1	57	44
Reed Intl.	£1	9	117	+3	143	102
Glaxo	50p	8	532	−3	610	520
GUS "A"	25p	8	298	+5	312	256
ICI	£1	8	365	+3	365	328
Tesco	5p	8	42½	+1½	48½	38
Beecham	25p	7	647	+2	678	583
Debenhams	25p	7	108	+2	110	89
Dunlop	50p	7	83	+1	90	78
EMI	50p	7	153	+2	190	141

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P.E. Ratio
105	F.P.	26/4	121	118	Saga Holidays	120		6.75	2.2	8.5	8.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Amal. Inds. 10.6% 2nd. Prf.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gowan Whitley 6% Pf.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible] 10% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible] & Cattell 10% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Menzies (J.) 9% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Talbot 11% Cnv. Uns. Ln. 79-85	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Tameside Variable 1983	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. 10¾% Red. 1984-85	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible] 1990	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	York Water 11% Deb. 1986	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
25	F.P.	[illegible]	[illegible]	[illegible]	C. H. Industrials	[illegible]	[illegible]
20	F.P.	[illegible]	[illegible]	[illegible]	Uttibury	[illegible]	[illegible]
62	F.P.	[illegible]	[illegible]	[illegible]	Watmoughs	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. p Dividend and yield based on prospectus or other official estimates for 1979. q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., April 5, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) Corp. Tax 52%	Wed. Apr. 5 Index No.	Mon. Apr. 3 Index No.	Fri. Mar. 31 Index No.	Thurs. Mar. 30 Index No.
1	CAPITAL GOODS (170)	203.69	+0.6	17.18	5.74	8.22	202.46	200.59	201.44	202.91
2	Building Materials (27)	181.56	+0.1	17.41	5.76	8.29	181.29	180.09	181.24	182.66
3	Contracting, Construction (26)	324.77	+0.9	17.67	4.01	8.44	321.71	319.35	318.17	322.47
4	Electricals (15)	436.45	+1.1	15.24	4.06	9.36	431.52	426.75	428.21	430.89
5	Engineering Contractors (14)	289.72	+0.6	17.30	6.98	7.93	287.87	284.23	285.84	287.93
6	Mechanical Engineering (71)	161.60	+0.5	19.19	6.38	7.19	160.79	159.14	160.29	161.20
8	Metals and Metal Forming (17)	163.00	+0.1	16.09	8.44	8.61	162.81	161.68	161.97	163.18
	CONSUMER GOODS									
11	(DURABLE) (52)	187.92	+0.6	17.70	5.08	8.18	186.76	185.28	185.41	186.42
12	Lt. Electronics, Radio TV (15)	222.56	+0.3	15.52	3.84	9.26	221.83	220.26	221.10	222.13
13	Household Goods (12)	168.78	−0.1	16.93	7.26	8.21	169.02	169.05	169.02	168.92
14	Motors and Distributors (25)	117.84	+1.3	21.24	6.48	6.93	116.38	115.08	114.64	115.56
	CONSUMER GOODS									
21	(NON-DURABLE) (176)	197.78	+0.6	16.05	5.87	8.63	196.61	194.22	194.65	196.71
22	Breweries (14)	225.14	+0.3	14.50	5.91	10.45	224.56	223.97	224.37	227.29
23	Wines and Spirits (6)	254.20	+1.1	15.91	5.67	9.53	251.53	251.15	251.29	254.40
24	Entertainment, Catering (17)	249.97	+0.7	13.79	6.81	10.53	248.15	243.30	244.71	248.36
25	Food Manufacturing (22)	188.87	+0.3	21.02	5.76	6.72	188.22	185.20	185.06	187.84
26	Food Retailing (16)	193.61	+1.3	14.20	4.72	10.16	191.07	186.09	186.45	191.85
32	Newspapers, Publishing (13)	342.69	+0.7	11.00	3.71	13.53	340.31	336.47	335.58	326.95
33	Packaging and Paper (15)	129.32	+0.5	20.63	9.10	6.96	128.69	126.08	126.57	126.91
34	Stores (39)	185.85	+0.7	10.43	4.30	14.09	184.64	182.39	183.49	185.56
35	Textiles (25)	173.10	+0.2	21.39	7.79	5.79	172.72	170.60	170.04	171.47
36	Tobaccos (3)	235.41	+0.6	23.48	7.95	5.06	233.91	232.91	232.72	233.30
37	Toys and Games (6)	101.09	+0.1	19.99	5.87	6.69	100.95	100.13	100.13	100.61
41	OTHER GROUPS (97)	187.10	+0.4	17.28	5.94	7.62	186.28	184.79	185.02	186.76
42	Chemicals (19)	260.88	+0.4	19.17	6.64	7.14	259.86	257.20	256.38	260.86
43	Pharmaceutical Products (7)	246.03	+0.2	11.43	4.11	11.07	245.63	244.15	243.82	245.59
44	Office Equipment (6)	130.09	+0.9	18.66	4.78	6.30	128.92	127.74	128.20	127.36
45	Shipping (10)	422.99	—	23.28	7.16	5.09	422.86	419.40	425.07	426.21
46	Miscellaneous (55)	194.00	+0.7	17.47	6.39	7.81	192.71	191.45	192.37	194.42
49	INDUSTRIAL GROUP (495)	202.53	+0.6	16.74	5.80	8.23	201.40	199.36	199.83	201.65
51	Oils (5)	442.94	+0.1	17.02	4.47	6.66	442.53	441.63	454.58	453.97
59	500 SHARE INDEX	222.77	+0.5	16.78	5.61	7.96	221.67	219.69	221.07	222.34
61	FINANCIAL GROUP (100)	163.79	−0.4	—	5.61	—	164.38	162.89	164.98	166.55
62	Banks (6)	189.20	−0.1	25.26	5.70	5.99	189.44	188.51	188.80	190.26
63	Discount Houses (10)	190.39	—	—	9.34	—	190.31	190.33	190.98	189.43
64	Hire Purchase (5)	146.56	+0.2	13.35	5.46	11.09	146.30	146.49	148.50	151.01
65	Insurance (Life) (10)	137.87	−0.6	—	6.54	—	138.64	136.63	138.86	140.38
66	Insurance (Composite) (7)	128.07	−1.1	—	6.58	—	129.53	127.69	129.58	130.72
67	Insurance Brokers (10)	337.32	−0.2	14.35	4.33	10.10	337.96	332.69	339.04	341.65
68	Merchant Banks (14)	76.81	+0.5	—	6.26	—	76.46	76.02	76.30	77.20
69	Property (31)	226.95	+0.1	2.92	3.05	66.11	226.81	225.87	231.44	235.39
70	Miscellaneous (7)	104.33	+0.2	25.04	7.61	5.53	104.09	103.29	103.98	104.53
71	Investment Trusts (50)	189.37	+0.7	3.46	5.04	28.91	188.12	187.82	188.47	188.72
81	Mining Finance (4)	91.79	−0.8	16.99	6.38	6.85	92.49	93.27	94.41	93.77
91	Overseas Traders (19)	282.58	+0.4	16.86	6.94	7.39	281.37	279.46	280.88	282.62
99	ALL-SHARE INDEX (673)	206.15	+0.3	—	5.63	—	205.48	203.78	205.27	206.77

FIXED INTEREST PRICE INDICES

	British Government	Wed Apr. 5	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	108.86	−0.01	—	2.47
2	5-15 years	119.93	+0.38	—	2.87
3	Over 15 years	126.43	+0.54	—	3.24
4	Irredeemables	140.65	+0.40	—	1.78
5	All stocks	117.57	+0.29	—	2.67

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Wed Apr. 5	Wed Apr. 5 (year ago)
1	Low Coupons	5 years	7.96	7.94
2		15 years	10.20	10.25
3		25 years	10.72	10.78
4	Medium Coupons	5 years	10.82	10.85
5		15 years	11.24	11.29
6		25 years	11.44	11.49
7	High Coupons	5 years	10.37	10.39
8		15 years	12.01	12.10
9		25 years	12.32	12.37
10	Irredeemables		10.55	10.59

		Wed., April 5 Index No.	Wed., April 5 Yield %	Tuesday April 4	Monday April 3	Friday March 31	Thurs. March 30	Wed. March 29	Tuesday March 28	Thurs. March 23
15	20-yr. Red. Deb. & Loans (15)	60.73	†12.23	60.73	60.72	60.86	61.01	61.01	61.07	61.08
16	Investment Trust Prefs. (15)	56.11	12.68	56.11	56.07	55.59	55.79	55.79	56.09	56.09
17	Coml. and Indl. Prefs. (20)	73.79	12.41	73.76	73.75	73.86	74.12	74.15	74.20	74.28

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

BASE LENDING RATES

B.N. Bank	6½%	■ Hill Samuel ....§	6½%
Allied Irish Banks Ltd.	6½%	C. Hoare & Co. ....†	6½%
American Express Bk.	6½%	Julian S. Hodge	7½%
Amro Bank	6½%	Hongkong & Shanghai	6½%
A P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
Henry Ansbacher	6½%	Keyser Ullmann	6½%
Banco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
Bank of Credit & Cmce.	6½%	Lloyds Bank	6½%
Bank of Cyprus	6½%	London Mercantile	6½%
Bank of N.S.W.	6½%	E. Manson & Co. Ltd.	8 %
Banque Belge Ltd.	6½%	Midland Bank	6½%
Banque du Rhone	7 %	■ Samuel Montagu	6½%
Barclays Bank	6½%	■ Morgan Grenfell	6½%
Barnett Christie Ltd.	8½%	National Westminster	6½%
Bremar Holdings Ltd.	7½%	Norwich General Trust	6½%
Brit. Bank of Mid. East.	6½%	P. S. Refson & Co.	6½%
Brown Shipley	6½%	Rossminster Accept'es	6½%
Canada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
Capitol C & C Fin. Ltd.	8½%	Schlesinger Limited	6½%
Cayzer Ltd.	7 %	E. S. Schwab	8½%
Cedar Holdings	8 %	Security Trust Co. Ltd.	7½%
Charterhouse Japhet	6½%	Shenley Trust	9½%
Choulartons	6½%	Standard Chartered	6½%
C. E. Coates	7½%	Trade Dev. Bank	6½%
Consolidated Credits	6½%	Trustee Savings Bank	6½%
Co-operative Bank ....*	6½%	Twentieth Century Bk.	7½%
Corinthian Securities	6½%	United Bank of Kuwait	6½%
Credit Lyonnais	6½%	Whiteaway Laidlaw	7 %
The Cyprus Popular Bk.	6½%	Williams & Glyn's	6½%
Duncan Lawrie ....¶	6½%	Yorkshire Bank	6½%
Eagil Trust	6½%		
English Transcont.	8 %		
First London Secs.	6½%		
First Nat. Fin. Corpn.	8½%		
First Nat. Secs. Ltd.	8 %		
Antony Gibbs	6½%		
Greyhound Guaranty	6½%		
Grindlays Bank ....‡	6½%		
Guinness Mahon	6½%		
Hambros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½%, and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at 21st March, 1978 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital	135.42
Clive Fixed Interest Income	122.34

CORAL INDEX: Close 467-472

INSURANCE BASE RATES

† Property Growth	8%
† Vanbrugh Guaranteed	7.12%

† Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
102 13/16	101½	Treasury 10½pc '78‡‡	101⅛	−1/16	10.38	6.29
99⅝	99½	Exch 5pc '76-78‡‡	99 9/16	−1/16	5.03	6.44
105⅛	103 7/16	Treasury 11½pc '79‡‡	103 7/16	−¼	11.10	7.41
97	94¾	Treasury 3pc '79‡‡	96⅛	......	3.12	5.81
97⅜	95⅞	Electric 4¼pc '74-79	96⅞	......	4.39	6.49
104 11/16	102 3/32	Treasury 10½pc '79‡‡	102⅝xd	−1/16	10.23	8.67
96½	94¾	Electric 3½pc '76-79	95⅜	......	3.67	6.57
103⅛	100¼	Treasury 9pc 1980‡‡	100½	−⅛	8.95	8.69
102 13/16	100½	Treasury 9½pc '80‡‡	100½	−⅛	9.45	9.24
95⅛	93	Treasury 3½pc '77-80	93⅝	......	3.74	6.67
96⅛	94	Funding 5¼pc '78-80‡‡	95⅞	−⅛	5.48	7.31
110¼	107⅛	Exchequer 13pc 1980‡‡	107 5/16	−1/16	12.11	9.77
106¼	103⅝	Treasury 11½pc 1981‡‡	104⅜	......	11.02	9.64
91⅝	90⅛	Treasury 3½pc 1979-81	90⅛	......	3.88	7.38
101¼	99¼	Treasury 9¾pc 1981‡‡	100 7/16	+⅛	9.67	9.43
97⅞	95¼	Exch. 8¼pc 1981	96 13/16	+1/16	8.52	9.42
100¼	98⅞	Exch. 9½pc 1981	99 13/16	+1/16	9.52	9.56
87 13/16	87½	Exch. 3pc 1981	87 5/16	−1/16	3.43	7.22
96 15/16	96⅛	Treas. Variable '81‡‡	96 5/16	−¼	6.74	7.68
111	107⅞	Exch. 12¾pc 1981‡‡	108⅛	−1/16	11.79	10.01
99⅞	95 11/16	Treas. 8½pc '80-82‡‡	96⅞	+1/16	8.77	9.49
86⅝	84	Treasury 3pc '82‡‡	85½	......	3.51	7.38
115⅝	111¼	Treasury 14pc '82‡‡	112¾	+1/16	12.42	10.08
96	95¼	Treas. Variable '82‡‡	95¼	−⅛	6.78	7.69
96⅝	93 7/16	Treasury 8¼pc '82	95¼	+1/16	8.66	9.63
100¼	96⅛	Exch. 9¼pc 1982	97⅞	+⅛	9.45	9.83
96 13/16	95 5/16	Exch. 8¾pc 1983●	95¾	+1/16	9.14	9.88
85¼	81	Exch 3pc '83	82⅛	−⅛	3.65	7.43
114¼	105⅜	Treasury 12pc 1983‡‡	107½	+1/16	11.12	9.94

Five to Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
100½	95¾	Treasury 9¼pc '83	98⅜	......	9.56	10.05
89⅝	85½	Funding 5½pc '82-84‡‡	86¼	......	6.43	8.74
96⅞	93	Treasury 8½pc '84-86‡‡	94¼	......	9.21	9.89
87⅝	81½	Funding 6½pc '85-87‡‡	81½xd	......	7.93	9.52
89⅝	85	Treasury 7¾pc '85-88‡‡	86	......	9.17	10.29
68⅝	63⅝	Transport 3pc '78-88	64⅝	+⅜	4.70	8.31
75⅝	68⅛	Treasury 5pc '86-89	68½xd	+⅛	7.29	9.55
115¼	108⅞	Treasury 13pc 1990‡‡	110¾	+⅝	12.05	11.74
89⅞	84⅜	Treasury 8¼ 87-90‡‡	85⅜	+⅜	9.96	10.81
106½	100½	Treasury 11¾pc 1991	102	+⅝	11.84	11.86
75⅛	67¾	Funding 5¾pc '87-91‡‡	68½	+⅛	8.44	10.24
112⅛	106	Treasury 12¾pc '92‡‡	107⅝	+⅝	12.14	11.98
96⅜	88¼	Treasury 10pc 1992	89⅞	+½	11.28	11.66
113	101⅜	Exch. 12¼pc '92	103	+⅝	12.05	12.08

Over Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
110⅝	104⅜	Treasury 12½pc '93‡‡	106	+⅝	12.11	12.03
72⅛	64½	Funding 6pc 1993‡‡	65½	+⅜	9.21	10.64
120¼	114	Treasury 13¾pc 1993‡‡	116	+⅝	12.39	12.16
125⅞	115¾	Treasury 14½pc '94‡‡	117⅜	+⅝	12.51	12.20
114½	102⅝	Exch. 12½pc 1994	104⅝	+⅝	12.15	12.09
89⅞	85	Treasury 9pc '94‡‡	85⅝	+⅜	10.95	11.41
106¾	100⅝	Treasury 12pc '95	102⅜	+⅝	11.99	11.98
51⅞	47	Gas 3pc '90/95	47⅛xd	+⅛	6.34	9.16
95	88⅝	Exch. 10¼pc 1995●	89⅞	+½	11.60	11.83
200	107⅞	Treasury 12¾pc '95‡‡	109¾	+⅝	12.17	12.08
90½	81⅛	Treasury 9pc '92-96‡‡	81⅞	+⅜	11.07	11.47
131½	119½	Treasury 15¼pc '96‡‡	120½xd	+⅝	12.58	12.30
117⅝	111½	Exchequer 13¼pc '96‡‡	113¼	+⅝	12.26	12.13
50	46	Redemption 3pc 1986-96	45⅛	+⅛	6.51	9.06
115¼	109⅛	Treasury 13¼pc '97‡‡	111	+⅝	12.23	12.11
98⅜	90¼	Exchequer 10½pc 1997	91	+½	11.70	11.87
88¼	79	Treasury 8¾pc 1997‡‡	79¾	+½	11.09	11.48
72¼	64⅜	Treasury 6¾pc '95-98‡‡	64¾xd	+⅝	10.35	11.12
135⅝	122½	Treas. 15½pc '98‡‡	124	+⅝	12.53	12.30
90½	85½	Treasury 9½pc 1999‡‡	86⅛	+⅜	11.31	11.53
96¼	90¾	Treasury 10½pc 1999	91¾	+½	11.73	11.86
42½	39¼	Funding 3½pc '99-04	39¾	+⅛	8.98	10.24
80⅞	72⅛	Treasury 8pc '02-06‡‡	72½xd	+⅜	11.04	11.23
58⅜	51¼	Treasury 5½pc '08-12‡‡	51⅝	+¼	10.74	11.00
76⅝	71⅛	Treasury 7¾pc '12-15‡‡	71½	+¼	11.07	11.15

Undated

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
37⅛	34⅝	Consols 4pc	34¾	+⅛	11.75	—
37¼	35½	War Loan 3½pc‡‡	35⅝	+⅛	10.17	—
39¼	36¼	Conv. 3½pc '61 Aft.	36⅜xd	+⅛	9.63	—
22⅝	25⅛	Treasury 3pc 66 Aft.	25⅜xd	+¼	11.83	—
24⅛	21⅞	Consols 2½pc	22xd	+⅛	11.37	—
24	21⅛	Treasury 2½pc	21¼	+⅛	11.78	—

**INTERNATIONAL BANK

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
88	83½	5pc Stock '77-82	83½	......	5.97	9.70

**CORPORATION LOANS

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
98¾	96¼	Birm'ham 9¾pc '79-81	97½	......	9.49	10.13
94¼	91	Bristol 7¾pc '79-81	92¾	+¼	8.36	10.20
107	103½	G.L.C. 12½pc '82	105¾	−¼	11.82	10.73
112	103¼	Do. 12½pc 1983	107¾	+¼	11.80	11.00
97¾	94¼	Glasgow 9¼ '80-82	96¼	−¼	9.66	10.42
93	90¼	Herts. 5½pc '78-80	92¼	+¼	5.69	9.33
99½	97⅞	Liverpool 5¾pc '76-78	99⅛	......	5.80	7.53
102½	97¼	Do. 9¾pc '80-84	99¼	+¼	10.21	10.76
29¾	26¾	Do. 3½pc Irred.	29xd	......	12.26	
100 1/16	99	Lon. Corp. 6½pc '75-78	99 11/16	−1/16	6.52	7.42
99¾	92	Do. 9¼pc '84-85	94½xd	+½	9.80	10.32
97¼	95	L.C.C. 6pc '76-79	96½	......	6.22	8.72
92½	89¼	Do 5½pc '77-81	89¼	......	6.16	9.19
87½	79¼	Do 5½pc '82-84	80½	......	6.94	10.01
75½	70½	Do. 5½pc '85-87	73¼	......	7.69	10.37
78	72½	Do 6¾pc '88-90	74	+½	9.32	10.86
26½	24½	Do. 3pc '20 Aft.	24¾	......	12.42	—
93¾	91½	Middx. 5¼pc 1980	93¼	......	5.63	9.07
99½	97½	Newcastle 9¼pc '78-80	98¼	−¼	9.42	10.03
105¾	104	Warwick 12½% 1980	104¾	−¼	11.93	10.32

COMMONWEALTH & AFRICAN LOANS

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
100⅞	98½	**Aust. 5½pc '75-78	99xd	......	5.56	7.67
95¾	93½	**Do. 5½pc '77-80	95⅛	......	5.87	9.46
88¼	84	**Do. 5½pc '81-82	84½xd	......	6.51	10.34
98⅜	96¾	**N.Z. 4pc 1976-78	98⅜	......	4.12	8.37
96½	92¾	**Do. 6pc '76-80	94¼	......	6.40	9.71
87¼	85½	**Do. 7½pc '83-86	87	......	8.85	10.29
95	91	Sth. Africa 9½pc '79-81	91½xd	......	10.31	12.23
70	55	Sth. Rhod. 2½pc '65-70	57	......	—	—
96	85	Do. 6pc '78-81	88	......	—	—

LOANS

Public Board and Ind.

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
64½	59	Agric. Mt. 5pc '59-89	63½	......	8.03	10.91
90½	88	Alcan 10½pc '89-94	89	......	12.33	12.70
33¼	31	**Met. Wtr. 3pc 'B'	31¼	......	9.67	11.37
117	107	U.S.M.C. 9pc 1982	116	......	8.00	5.60
94½	92½	Do. without Warrants	94½	......	9.83	11.50
100	99	Ultramar 7pc '75-78	100	......	7.23	12.20

Financial

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
107¼	103¾	**FFI 13pc '81	105½	+¼	12.32	10.67
110	102	Do. 14pc '79	102xd	......	13.72	12.50
114½	109	Do. 14pc '83	113	......	12.84	11.78
85	79½	ICFC 5½pc Deb. '80-82	81½xd	−½	6.75	10.80
81½	78	Do. 6¼pc Db. '81-84	79	−½	8.18	11.50
99	95½	Do. 10½pc Uns. Ln. '86	97	......	11.12	11.50
99¼	96	Do. 11pc Uns. Ln. '88	96½	......	11.73	12.05
101½	98½	Do. 11¾pc Uns. Ln. '90	99½	......	12.17	12.30
71½	67	Do. 7¼pc A Deb. '89-92	67	......	11.29	12.65
71½	64	Do. 7¼pc A Db. '91-94	64xd	−½	11.33	12.40
84½	76½	Do. 9pc 'A' '91-94	77xd	−½	11.69	12.30
81¼	74	Do. 8¾pc Ln. '92-97	74½	−1	12.19	12.70

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
19½	18	Antofagasta Rly.	18	......	—	—
33	33	Do. 5pc Pref.	33	......	B—	—
98	98	Chilean Mixed	98	......	3	£3.09
370	350	German Yng. 4½pc.	350#	......	4½	—
52	46	Greek 7pc Ass.	52	......	3½	£6.93
50	46	Do 6pc '28 Stab. Ass.	49	......	6	£6.12
44	40	Do 4pc Mixed Ass.	43	......	4	£4.71
52	42	Hung. '24 Ass.	52	......	4½	5.55
77	70	Iceland 6½pc '83-88	70	......	—	11.80
88	86¼	Ireland 7½pc '81-83	86½	......	8.45	11.41
91	82½	Do 9⅝pc '91-96	83	−¼	11.88	12.20
360	265	Japan 4pc '10 Ass.	360	......	—	—
87	77	Do 6pc '83-88	84½	......	6	8.45
160	145	Peru Ass. 3pc	145xd	......	3	2.07
75p	75p	S.G.I. 6½pc 1980	75	......	6½	8.67
99	96½	Turin 9pc 1991	$96½	......	9	9.33
DM83½	DM81	Turin 6½pc 1984	DM81	......	6½	11.35
94	94	Uruguay 3½pc	94	......	3½	4.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1978 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
16¾	13½	ASA	16	−⅛	80c	—	2.8
60½	60½	AMF 5% Conv. '87	60½	......	5%	—	f
27½	22	Amax $1	26⅜	+⅛	$1.75	—	3.7
26¼	21¼	American Express	25	+½	$1.40	—	3.1
33½	11	Amer. Medic. Int.	16⅞	+½	30c	—	1.0
15½	969p	Asarco Inc.	15⅞	+1⅛	40c	—	1.5
34⅛	28¼	Baker Intnl. Corp. $1	34	......	64c	—	1.1
15⅜	11⅞	Barnes Grp. $6½	15¼	−⅛	90c	—	3.3
26¾	22	Bendix Corp. $5	26½xd	......	$2.28	—	4.9
16	13	Beth. Steel $8	16	......	$1.00	—	3.5
946p	625p	Brown'g Fer. c16⅔	921pxd	+23	40c	—	2.4
11⅝	857p	Brunswick Corpn. $	11⅛	......	70c	—	3.5
50¼	41⅞	Burroughs Corp. $5	45½xd	+⅛	$1.00	—	1.2
35⅞	30½	CBS $2.50	35⅞	......	$2.40	—	3.8
35⅞	28¼	C.P.C. $½	34½xd	−¼	$2.50	—	4.1
38	32¾	Caterpillar $1	37	+⅝	$1.80	—	2.8
23⅛	17⅞	Chase M'htn. $12.5	22⅜	+⅛	$2.20	—	5.6
17⅝	13⅝	Chesebrough $1	17⅝	+⅛	94c	—	3.0
942p	765p	Chrysler $6¼	891p	+3	$1.00	—	6.3
16¼	13½	Citicorp $4	16xd	......	$1.06	—	3.7
10⅞	733p	City Inv. $1.25	10½	−⅛	$1.00	—	5.4
20½	14⅝	Do. Cm. Prf. B $1	20½	+1¼	$2	—	5.5
15⅝	12¾	Colgate-P. $1	15½	−⅛	$1.00	—	3.6
35⅜	29	Colt Inds. $1	35xd	+⅛	$2.75	—	2.9
19½	15½	Cont. Illinois $10	19	+¼	$1.32	—	4.0
22	17	Cont. Oil $5	20	+⅛	$1.40	—	4.0
24¾	20⅛	Crown Zell. $5	24¾xd	+⅛	$1.90	—	4.4
26⅞	20⅛	Cutler-Hammer $5	26¼	+⅛	$1.40	—	3.0
27⅜	22	Eaton Crp. $0.50	27	+⅛	$2.25	—	4.7
21½	17¼	Esmark	20⅞xd	......	$1.84	—	5.0
35¼	28¼	Exxon $1	34⅝	+⅛	$3.20	—	5.2
11¼	670p	Firestone Tire $1	10¾xd	−⅛	$1.10	—	5.8
13¾	11¼	First Chicago	13½xd	−⅛	96c	—	4.0

AMERICANS—Continued

[illegible]

S.E. List Premium 45⅛% (based on $US1.8717 per £)

Conversion factor 0.6898 (0.6902)

CANADIANS

[illegible]

S.E. List Premium 45⅛% (based on $2.1363 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh.50c	180xd	+5	Q50c	1.3	23.7
24	17	Rhod'n Corp. 16½p.	18	......	0.57	4.3	4.8
73	52	Roan Cons. K4	70	......	—	—	—
137	122	Tanganyika 50p	125	......	Q11.0	1.1	8.8
80	78	Do. Pref. 80p	80	......	Q9%	16.4	9.0
41	32	Wankie Col. Rh.1	38	......	†Q7½c	1.4	17.8
12½	10	Zam.Cpr.SBD0.24	11½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
12	10	Acmex 25c	10	......	—	—	—
105	64	Bougainville 50 Toea	101	+1	Q8c	1.4	5.0
77	63	BH South 50c	73	−2	—	—	—
192	148	Conzinc Riotinto 50c	185	......	Q10c	ϕ	3.4
72	52	G.M. Kalgoorlie $1	56	−4	—	—	—
94	81	Hamptn Areas 5p	94	......	1.45	4.1	2.3
17	10	Metals Ex. 50c	13	+1	—	—	—
167	125	M.I.M. Hldgs. 50c	166	......	Q9c	1.7	3.3
23	10	Mount Lyell 25c	17	......	—	—	—
2½	1½	Newmetal 10c	1½	......	—	—	—
97	79	North B. Hill 50c	93	−1	Q8c	1.5	5.4
11½	8½	Nth. Kalgurli	11	−½	—	—	—
150	117	Oakbridge $A1	150	......	†Q11c	1.9	4.6
37	30	Pacific Copper	33	......	—	—	—
£10	750	Pancont'l 25c	925	−25	—	—	—
18½	12	Paringa M&Ex.5p	15½	+½	—	—	—
445	310	Peko-Wallsend 50c	440	−5	Q15c	4.0	2.1
111	84	Westn. Mining 50c	106xd	......	Q6c	1.4	3.5
50	35	Whim Creek 20c	50	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
285	240	Ayer Hitam $M1	280	......	‡Q47c	0.9	‡
55	45	Beralt Tin	53	......	3.75	2.3	10.7
235	200	Berjuntai $M1	232	......	‡Q110c	ϕ	‡
126	111	Geevor	115	......	18.05	3.4	23.8
10	8½	Gold & Base 12½p	8½	......	—	—	—
270	225	Gopeng Cons.	225	......	15.0	0.9	10.1
150	130	Hongkong	147	......	—	—	—
93	83	Idris 10p	83	......	7.5	ϕ	13.7
11	10	Jantar 12½p	11	......	—	—	—
73	68	Kamunting $M0.50	69	......	2015.5c	0.7	4.8
450	450	Killinghall	450	......	Q125	ϕ	27.8
320	280	Malay Dredging $M1	285	......	†Q95c	0.8	7.2
50	40	Pahang	49	−1	†Q2.5	0.5	5.1
58	50	Pengkalen 10p	50	......	6.5	1.3	19.7
190	165	Petaling $M1	170	−5	mQ12½c	10.9	1.6
61	49	Saint Piran	49	−1	g1.99	4.6	6.2
61	47	South Crofty 10p	50	......	b4.13	1.5	12.5
180	140	South Kinta $M0.50	148	......	tQ77.8c	1.4	11.3
280	240	Sthn Malayan $M1	240xd	......	tQ131.3c	1.1	11.8
170	134	Sungei Besi $M1	170	......	—	—	—
68	55	Supreme Corp. $M1	68	......	2Q10c	—	3.2
100	90	Tanjong 15p	90	......	4.5	ϕ	7.6
90	74	Tongkah Hrbr. $M1	85	......	Q6.82%	1.6	14.4
180	148	Tronoh $M1	173	−2	2Q88c	ϕ	10.9

COPPER

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
96	70	Messina R0.50	86	−2	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
9	9	Burma Mines 17½p.	9	......	—	—	—
300	220	Cons. Murch. 10c	250	−10	Q30c	2.6	7.2
325	245	Northgate C$1	295	−10	—	—	—
202	164	R.T.Z.	195	−1	t8.5	q3.1	6.6
46½	31	Sabina Inds. C$1	31	−1	—	—	—
950	750	Tara Exptn. $1	837	......	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.21	2.5	4.3
152	120	Yukon Cons. C$1	152	......	Q7c	ϕ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	23	......
Ash Spinning	43	......
Bertam	16	+1
Bdg'wtr. Est 50p	278	......
Clover Croft	22	......
Craig & Rose £1	410	......
Dyson (R. A.) A	41	......
Ellis & McHdy	65	......
Evans Fr'k.10p	57	......
Evered	15¼	......
Fife Forge	47	......
Finlay Pkg. 5p	19xd	−1
Graig Ship. £1	180	......
Higsons Brew	80	......
I.O.M. Stm. £1	147	......
Holt (Jos.) 25p	255	......
N'thn. Goldsmith	54	......
Pearce (C. H.)	129	......
Peel Mills	17	......
Sheffield Brick	46	......
Sheff. Refrshmt.	51	......
Sindall (Wm.)	83	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£95½	......
Alliance Gas	75	+10
Arnott	290	......
Carroll (P.J.)	92	−3
Clondalkin	91xd	......
Concrete Prods.	124	......
Heiton (Hldgs.)	44	......
Ins. Corp.	200	......
Irish Ropes	132	......
Jacob	65	......
Sunbeam	28xd	......
T.M.G.	180	......
Unidare	82	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	23	Tube Invest.	30
A.P. Cement	18	"Imps"	7	Unilever	40
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	10	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	5	Woolworths	6
Beecham	38	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3¼
Bowaters	16	Lex Service	7	Cap. Counties	5
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lofs"	5	Intreuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	18
Burton 'A'	13	Lonrho	7	MEPC	12½
Cadburys	5	Lucas Inds.	25	Peachey	10
Courtaulds	10	Lyons (J.)	13	Samuel Props.	10
Debenhams	10	"Mams"	7	Town & City	2
Distillers	13	Mrks. & Spncr	11	**Oils**	
Dunlop	8½	Midland Bank	25	Brit. Petroleum	35
Eagle Star	11	N.E.I.	20	Burmah Oil	7
E.M.I.	18	Nat. West. Bank	22	Charterhall	3½
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	10	Ultramar	22
Glaxo	40	Plessey	9	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	18	Rank Org. 'A'	18	Cons. Gold	20
Guardian	18	Reed Intl.	14	Rio T. Zinc	16
G.K.N.	22	Spillers	4		
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday April 6 1978

State to keep special stake in search for oil and gas

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT is building up its interest in oil and gas areas around Britain by awarding State energy corporations *special exploration licences. The* British National Oil Corporation is also being granted the right of first refusal whenever licence partnerships change.

The private oil industry will be invited to bid for about 40 blocks to be offered in a new round of licensing, but here too the oil enterprise and the British Gas Corporation will have a strong presence.

Meanwhile the oil corporation is being awarded nine licences on blocks scattered around various prospective areas—to the north-west of Shetland where *there is* thought to be a new oil province developing and in the South Western Approaches.

British Gas is being given a single exploration block in the Irish Sea, very close to its promising *Morecambe Gas Field.*

'Farm-in'

Initial exporation on the new State-owned blocks is expected to cost the corporations between £25m. and £50m. Mr. Anthony Wedgwood Benn, Energy Secretary, who announce dthe package of offshore exploration measures yesterday, said that the special awards would help Government depletion policies.

Any discoveries made by the two undertakinks could be saved, as an energy bank, until the time *when their exploitation* was needed in the national interest. It was harder to do this when private companies were involved.

Another move, aimed at giving the oil corporation, in particular, a chance of *building up its off*shore interest, involves so-called "farm-in" deals where licence partnerships change under commercial arrangements.

In future the corporation, and to a limited extent British Gas, must be given the first opportunity to acquire the whole or part of a lecence when it s put up for offer in the oil industry.

Private oil companies would be allowed to arrange the transfer of licence interests only when "meaningful negotiations" with the State corporations had failed, or when the State groups had refused *the offer of a licence* stake.

Mr. Wedgwood Benn said this policy would help to improve the national equity share in earlier licences which amounted to about one-eigth of the area licenced. Lord Kearton, chairman of the oil corporation, said yesterday that the State had less than a 10 per cent. equity interest in *proven and probable reserves.*

Mr. Tom King, the Shadow Energy Secretary, told the Commons that the proposals flew in the face of assurances given by Ministers that the oil corporation would not be given special privileges as a State corporation. "We also regard it as very close to abuse of ministerial powers."

Mr. Peter Ross, Conservative MP for Derbyshire South East, described the proposals as a further step towards "back door nationalisation."

Oil company members of the U.K. Offshore Operators Association were also angry at what they saw as a further significant advancement of State influence in the North Sea. There was concern that the corporation was being offered the most attractive *blocks.*

Companies have already complained that the corporation's *involvement in* "farm-in" negotiations is delaying commercial deals an dthe drilling of new wells associated *with* any licence changes.

esterday the industry was trying to gauge the Government reaction to a television appearance by Mr. George Keller, vice-chairman of Standard Oil of California, who described the British National Oil Corporation as a "growing albatross' around the neck of the oil industry.

The corporation, which yesterday announced the start of production from its Thistle Field, is expected to have a stake in most of the 40 blocks to be offered in the sixth round of licences.

Mr. Benn said that through these licences private oil companies would be able to continue making an important contribution to offshore exploration and development.

The Energy Department will shortly publish a consultative document containing detailed proposals for the terms and conditions of these licences, which will probably be awarded next year. The conditions, Mr. Wedgwood Benn said, would contain some "interesting new provisions."

It is thought that the Government might ask the private oil sector to pay for either all or part of the oil corporation's interest in sixth round exploration and, perhaps, production—a move which would be resisted by the offshore operators' association members.

● *The nine licences being* awarded to the British National Oil Corporation are: West of Shetland 205/10, 206/6, 208/27; East of Shetland 209/9; North Sea, 15/6, 29/14b, 31/26 (and its adjacent small blocks 31/21 and 31/27); South Western Approaches 72/10, 86/18. British Gas is being awarded the Irish Sea block 113/26.

***North Sea row*, Page 5**
Thistle Field on stream, Page 6
***Parliament*, Page 13**

Mexico sales campaign

BY HUGH O'SHAUGHNESSY

MEXICO, whose potential reserves of oil and gas are officially put at the equilavent of 120bn. barrels, is starting a major drive to sell oil in Europe and Japan.

This was disclosed by Sr. Jorge Díaz Serrano, director general of Petróleos Mexicanos (Pemex), the Mexican state oil concern, who signed a $1bn. loan agreement with a group of banks in London yesterday. The proceeds will be used for exploration and petrochemical and natural gas development.

The loan, which was led by 15 *banks is for ten years* at 1¼ per cent. over inter-bank rates with front end fees of ¾ per cent. These terms are substantially better than Pemex obtained on its last Euromarket loan—$350m. —a year ago.

Sr. Diaz Serrano said he could *see no profit in Mexico joining* the Organisation of Petroleum Exporting Countries "even in the long term" as Pemex was already making sales at prices over the OPEC minima. He added that he foresaw good prospects for the sales of British technology to the Mexican oil industry and would welcome co-operation with the British National Oil Corporation and other government oil companies, particularly in marketing.

On the fiercely disputed question of the price of Mexican exports of natural gas to the U.S. he said he felt that the U.S. would eventually accept the Mexican figure. "I have a feeling they need our gas," he said.

Pemex was also exploring the possibility of selling oil to Cuba, he added.

Rolls profit boosts NEB

BY MARGARET REID

THE STATE-OWNED National Enterprise Board made a £34.3m. profit before tax and extraordinary items last year, largely because *of a contribution of* £20.4m.—as against a £22.8m. loss in 1976—from its Rolls-Royce aero-engine subsidiary which has just won a major U.S. order.

The result was £17m. less than *in the first 13½ months of the* Board's life up to the end of 1976, the fall being mainly due to a greatly reduced profit of only £3.2m. compared with £71.8m. previously, from the other big subsidiary company, British Leyland.

But after charging £46.5m. of special costs—some £43m. of them for closures by British Leyland at Speke and elsewhere—the Enterprise Board emerged with a final net loss of £31.2m. in 1977, against a £40.5m. net profit in the earlier period.

These figures were revealed *yesterday* ahead of the debate by MPs next week on a draft order laid by Mr. Eric Varley, Industry Secretary, to lift the limit on the Board's raising of funds from £700m. to £1bn., as envisaged in the *Industry Act, 1972.*

At the end of March 1978, the Board had £550m. outstanding against its existing limit, including £250m. obtained towards financing the £275m. short-term loan it is providing to British Leyland, as announced last week.

The remaining £25m. for Leyland has also to be allowed for, as does £61m. of so far unused borrowing facilities fixed by Leyland subsidiaries with the banks.

Substantial

All this comes to a total of £636m. to be set against the present £700m. limit, leaving headroom of only £64m.

Sir Leslie Murphy, chairman of the Enterprise Board, said *yesterday that this* would not be enough to cater for the capital needs of its 33 companies in the next year.

"It would be irresponsible of me to get into a position where we cannot look ahead even as far as 12 months, and it is for this reason that it is essential that the existing borrowing limits of the NEB should be raised as provided for in the Act."

Sir Leslie disclosed that bis Board's 1977 results included its share of substantial losses at three smaller companies in *which it has invested.*

There was £1.3m., for losses at a subsidiary, Sinclair Radionics, the calculator and mini-TV concern which, however, had now recovered and was operating profitably, selling all it could produce, much to the U.S.

Also included were £1m. for losses at British Tanners Products (owned on a 50-50 basis with Barrow Hepburn Group) where "very vigorous action" was being taken to put matters right, and £1m. for losses at Cambridge Instrument.

In the latter case, Sir Leslie *said, action had been taken to* strengthen management and reduce overheads.

THE LEX COLUMN

Overseas problem for BICC

After BICC's failure to increase the interim dividend last September, *yesterday's* preliminary figures came as a welcome relief to the stock market The shares went up 10p to 116p when the group revealed that pre-tax profits were £1m better than most expectations at £47.1m., compared with £43.5m. last time.

BICC has done reasonably well in producing this result against *the background of the depressed* world economy. Indeed BICC International, which accounts for 30 per cent. of sales, experienced a volume decline of 3 per cent. in 1977. Its profits are a fifth lower at £24m., and net margins have slipped 1½ points to 8.2 per cent.

The strength of sterling dur*ing the period has only added* to BICC's problems, knocking pre-tax profits by £3.2m. The weakest spots are the depressed economies of South Africa and Canada; in the latter *pre-tax* profits are halved, in sterling terms, at £2.3m., while the South African figure is down from £7m. to £4.7m. And in Australia, the Metal Manufacturers Group produced a profits decline of 15 per cent. at £12¼m. pre-tax.

Elsewhere, all divisions pro*duced better profits and margin* gains. Volume is up 6 per cent. at Balfour Beatty, and 5 per cent. in the fast-growing industrial products group, while it has been *maintained* on the cables side.

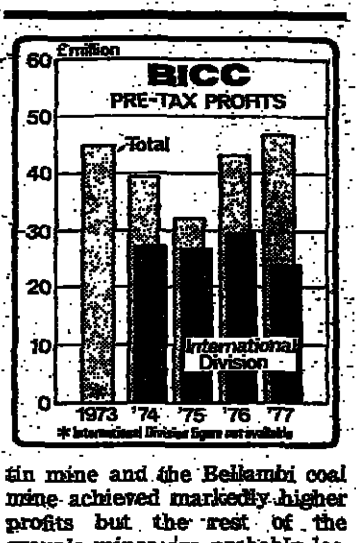
The shares have an above average yield of 8.8 per cent., though the BICC decision to increase the overall dividend by only 6.6 per cent. casts some doubt on the Board's future dividend policy, considering that the payment is almost twice covered.

Cons. Gold Fields

Given the buoyancy of the gold price in recent months, a £6m. rise in Consolidated Gold Fields' pre-tax profits to £33.9m. is rather disappointing especially since Amey Roadstone had already reported a £5.9m. increase in its profits for the comparable half year.

Clearly, Gold Field's fortunes are no longer linked so inextricably to movements in the bulion price as they once were. Gold Fields of South Africa chipped in an extra £1.5m. at the associate level but this was mainly due to higher share dealing profits. Meanwhile, the other mining operations, principally in Australia, found the going tough. Admittedly, the Renison

Index rose 2.4 to 470.2



tin mine and the Bellambi coal mine achieved markedly higher profits but the rest of the group's mines are probably losing money and there is little *sign of improvement.*

In the second six months CGF should benefit considerably more from the higher gold price and the group could be on target for profits of around £70m. and earnings of maybe 25p per share. However, ther eis a possibility that there might be further write-offs on tre mining operations and with Azcon feeling the effects of the U.S. steel recession, it is up to the construction material side to provide the growth outside South Africa.

Given the recent rapid increase in Amey Roadstone's profits there must be a question as to how muc hlonger this sort of growth can continue.

Marine Midland

As it was Ching Ming day in Hong Kong yesterday, it was not possible to assess the local stock market's reactio nto Hong Kong and Shanghai Bank's bid to acquire 51 per cent. of Marine Midland. One has to admit the move has style.

If successful, it will be the largest ever international banking merger and will catapult Hong Kong and Shanghai into the company of the top 20 or so banks in the world. Apart from the regulatory obstacles the biggest question mark must hang over the management resources that the Hong Kong bank will have to commit to improve Marine Midland's performance. Given the strength of its balance sheet, Hong Kong and Shanghai will no doubt be able to pay for its investment from its own resources but shareholders will need reassurance that Marine Midland going to haunt them in ye come.

Composites

Sun Alliance and Pl both found life becom little more difficult in the insurance market toward end of 1977, and their for the year are below expectations. Although dence has not been the d for Sun Alliance that it 1976—when it cost £13 the group is still maki losses on its important personal account and subs claims cost up to £6m.

In addition, its Germa Dutch businesses are several millions. The up *that* fire and accident writing moved back (modest) in the second the year. At the pre-ta profits are up frof £37 £57.2m.

Phoenix, too, saw its business deteriorating i final quarter, when lik Alliance it saw some fire losses coming thro the time of the firemen's Its big strength has been U.S., where a swing from to underwriting profits h worth £7.1m. Pre-tax are up from £24.5m. to £ and reported earnings jumped 87 per cent. a freakishly low tax charg

Profits growth for bo panies this year is likely much more in line with porate sector generally. two, Sun Alliance may h edge: its yield is below at 5½ per cent., but th dend is well covered w gether with a solvency of 78 per cent. gives it the best dividend paying tial in the sector.

Johnson-Richards

Hepworth Ceramic's Johnson-Richards tiles is £25.7m. and is roughly with the company's value if deferred tax in. The terms are equiv 117.5p and compare wit son-Richards' share price before the merger di were announced—enou first sight, for a capac has had a static record. But the bid is oppos there is plenty of leew big rise in the Johnson-R dividend. Given that a g shareholders who control cent. and who seem re sell have stipulated a m of 125p, this offer may the first round.

Few new faces in French Cabinet

By Robert Mauthner

PARIS, April 5.

THE French Government formed to-day following the Centre-Right election victory shows surprisingly few changes.

Nine Ministers of the past Administration retain their portfolios, while three others merely change Ministries.

The biggest innovation is that M. Raymond Barre, who was re-appointed as Prime Minister by President Giscard d'Estaing *last week, will no longer act as* his own Finance Minister.

The Ministry has been split into two separate portfolios. M. Rene Monory, previously head of the Ministry of Small Businesses and Crafts, has been nominated as the new Minister of the Economy; while M. Maurice Papon, a former Paris Prefect of Police, has been given the new title of Minister of the Budget.

Most of the other major Ministries remain in the hands of the previous incumbents. M. Louis de Guiringaud stays at the Foreign Ministry, M. Christian Bonnet at the Interior Ministry, M. Alain Peyrefitte at the Justice Ministry, Mme. Simone Veil at the Health Ministry, and M. Yvon Bourges at the Defence Ministry.

The important Industry portfolio however goes to M. Andre Giraud, formerly the Government's chief delegate at the Atomic Energy Commission.

M. Jean-Philippe Lecat becomes Minister of Culture and Communications, a new department.

M. Jean-Francois Deniau, State Secretary for Foreign Affairs in the last Government and a former member of the Common Market Commission, becomes Minister of Trade.

M. Michel d'Ornano, the Government's unsuccessful candidate in the Paris Mayoral election last year, keeps his Environment portfolio.

M. Jean-Pierre Soisson, Secretary-General of the Republican Party and one of the leaders of the Giscardian Union for French Democracy (UDF), has been rewarded with the junior portfolio for Sports and Leisure.

The UDF has provided ten of the Ministers in the new Government, *including M. Barre, while* the Gaullist RPR Party, which, with 153 seats is still the biggest group in the National Assembly, has provided seven.

The first reaction from politi*cal commentators was one of* surprise at the few important changes. After all the talk during the past two weeks of political "ouverture," it was widely expected that the President and *the Prime Minister would bring* many more new faces into the administration.

The assumption is that the new Government, which has its first meeting to-morrow, is a "*holding" administration likely* to be reshuffled within the next 12 months.

President Giscard clearly considered that the electorate had given him a mandate to carry-on with his previous team.

British Steel aims to cut 3,000 jobs at Ebbw Vale

BY ROBIN REEVES, WELSH CORRESPONDENT

BRITISH STEEL Corporation officials in Wales confirmed yesterday that nearly 3,000 jobs—1,000 more than expected—need to disappear at Ebbw Vale steel works before the plant will *become internationally competi*tive.

Negotiations on the early closure of Ebbw Vale's remaining steel-making facilities are due to take place next week as part of British Steel's loss-cutting programme.

Shutdown of the heavy end of the works was originally not due until March next year, but it was thought that *early closure would* involve a maximum of 1,800 redundancies, leaving more than 4,000 men still employed in the tinplate section of the works.

Now union leaders at Ebbw Vale have been told that after the end of steelmaking at the *plant the workforce will total* only 3,850 against the present payroll of 6,100.

Necessary

This makes the immediate loss of jobs, if redundancy terms acceptable to the Ebbw Vale men are agreed next week, 400 more than expected.

Moreover, when asked by local *union leaders how much more* redundancy would then be necessary to get Ebbw Vale's remaining workforce down to internationally competitive levels, British Steel's reply was that a further 600 jobs would have to go.

Thus overall British Steel now wants to cut Ebbw Vale's existing labour force by almost a half to little more than 3,000.

Only three years ago the works was employing more than 9,000 men in an area of the South Wales valleys which, not surprisingly in the present economic climate, is only slowly attracting alternative new jobs. *The present rate of unemploy*ment in the area is 10.5 per cent.

Marconi in contract to develop military radios for U.S.

BY MAX WILKINSON

MARCONI SPACE and Defence Systems has won an important development contract for U.S. military radios for which eventual orders are expected to be $1.2bn.

Marconi, subsidiary of the General Electric Company, has joined with Cincinnati Electronics, a U.S. company, for the development contract. Its value is $6.5m.

Mr. Arthur Walsh, managing director of Marconi, said he hoped to gain a substantial part of the eventual orders for the rdaios.

The Marconi-Cincinnati partnership has beaten two other Anglo-American consortia bidding for the development work. They are Racal with RCA and Plessey with GTE-Sylvania.

A parallel development contract has been awarded to RCA. The U.S. defence department expects to choose between the two systems by mid-1980, when it will award a full engineering development contract.

Full production of the radios is expected to start in 1984. The equipment, code named Sincgars, is inteded to replace the present tactical radios carried on man-packs and vehicles.

It will include advanced cyphering techniques and a system which allows broadcasts to change frequency several hundred times a second. The aim is to defeat enemy interception and jamming methods.

The development contract is one of the first fruits of the memorandum of understanding signed between the U.S. and the British Governments allowing for cross-national tendering for military contracts.

Continued from Page 1

State industries

intervene less often than they had in the past.

"Once the targets are set there should be less need for intervention in management."

He hoped that the powers for ministerial direction would only be used "very rarely" on matters such as power station or aircraft engine ordering, where the national interest was clearly involved.

If this happened, the White Paper should "create a new basis for relationships" between the industries and the Government, their suppliers, and customers. This would mark a sharp change from the "very difficult years between 1970 and 1974."

A new approach to corpoarte planning is also proposed to provide a basis for annual reviews of medium-term investment programmes. *This also* should, it is hoped, lead to less Government intervention once strategic plans have been set.

Generally the chairmen of Britain's main 20 nationalised industries were satisfied last night with the proposals.

They were specially pleased that the NEDO's more radical ideas had been rejected, although *some of them are still* worried about the idea of having civil servants on their Boards.

Some of them were disappointed that the White Paper did not take a definitive line over the relationship of financial targets and Government policies of price restraint.

Letters exchanged recently between Mr. Roy Hattersley, Prices Secretary, and Mr. Charles Williams, chairman of the Price Commission, were published by the Government last night.

They covered the point that the Commission will take the new financial targets into account, but failed to satisfy some of the industries' chairmen who fear that price restraint policies may well continue to lead them into rows with the Government.

Consumer organisations said they were broadly happy with the proposals, although the National Consumer Council would have liked individual industries' consumer councils to be given more teeth.

On industrial democracy, the *White Paper does not go so far* as many trade union leaders would have liked, although it does repeat the Government's commitment to the subject in both the public and private sectors of industry.

Continued from Page 1

Thorn

union had already rejected the proposals in a meeting with Thorn on Tuesday.

While the union side recognised the market was depressed and that new technology threatened jobs, it believed that instead of closing factories the company should develop the next generation of products which would preserve jobs for the future.

● A link between the television manufacturing division of GEC and the Japanese electronics company of Hitachi now seems likely.

Last December, Hitachi decided not to go ahead with plans to open a colour television factory in the North-east after a sustained campaign against it by British manufacturers and unions.

At the time it was reported that three British companies had approached Hitachi with a view to selling their television *divisions.* *Yesterday* Mr. Hiromichi Tanaguchi, the general manager of Hitachi (U.K.), said that it "might be possible for Hitachi and GEC to complete discussions on an arrangement."

Weather

U.K. TO-DAY

DRY, sunny intervals.

London, S.E. and Centr. England and Channel Islands.

Cloudy at first with sunny intervals later. Max. 10C (50F).

Midlands, S. West, Cent. N., N.W. England, Wales, Lakes, Isle of Man and N.W. Scotland, Cent. Highlands, Ireland.

Dry. sunny periodsfi Max. 10-12C (50-54F).

N. England, Borders, N.E. Scotland, Orkney and Shetland.

Dry, rather cloudy. Max. 6C (43F).

Outlook: Little change.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstdm.	S	9	48	Luxemb'g	R	6	43
Athens	F	19	66	Madrid	C	9	48
Bahrain	C	31	88	*Manchestr.*	S	11	52
Barcelona	C	14	57	Melbourne	C	26	79
Beirut	F	19	66	Milan	C	14	57
Belfast	S	9	48	Montreal	C	4	39
Belgrade	C	12	54	Moscow	C	3	37
Berlin	S	9	48	Munich	R	8	46
Brmghm.	F	9	48	Newcastle	F	7	45
Bristol	F	9	48	New York	S	13	55
Brussels	F	7	45	*Oslo*	S	7	43
Budapest	R	11	52	Paris	C	9	48
B. Aires	C	16	61	Perth	R	19	66
Cairo	S	28	82	Prague	C	6	43
Cardiff	F	8	46	Reykjvk.	Dr	8	46
Chicago	C	10	50	Rio de J'o	R	27	81
Cologne	C	7	45	Rome	F	16	61
Copnhagn.	S	6	43	Singapore	C	29	85
Dublin	F	8	46	*Stockholm*	S	3	37
Edinburgh	C	7	45	Strasbrg.	C	10	50
Frankfurt	Dr	6	43	*Sydney*	C	22	72
Geneva	C	11	52	*Tehran*	S	23	82
Glasgow	C	7	45	Tel Aviv	S	19	66
Helsinki	S	0	32	Tokyo	C	14	58
H. Kong	S	21	69	Toronto	C	4	39
Jo'burg	S	22	72	Vienna	C	11	52
Lisbon	C	12	54	*Warsaw*	F	9	49
London	S	11	52	Zurich	C	10	50

HOLIDAY RESORTS

Ajaccio	C	15	59	Jersey	C	7	45
Algiers	R	15	59	Las Plms.	F	20	68
Biarritz	C	12	54	Locarno	F	13	55
Blackpool	S	12	54	*Majorca*	S	16	61
Bordeaux	C	13	55	Malaga	C	14	57
Boulogne	S	8	46	Malta	F	19	66
Casablnca.	F	17	63	Nairobi	R	26	79
Cape Town	S	25	77	Naples	F	14	57
Corfu	S	18	64	Nice	C	16	61
Dubrovnik	C	14	57	Nicosia	F	18	64
Faro	F	17	63	Oporto	C	14	57
Florence	C	14	57	*Rhodes*	C	18	64
Funchal	F	16	61	Salzburg	F	13	55
Gibraltar	C	14	57	Tangier	C	16	61
Guernsey	C	6	43	Tenerife	C	11	52
Innsbruck	C	13	55	Tunis	C	18	64
I. of Man	S	8	46	Valencia	F	18	64
Istanbul	C	11	52	Venice	C	13	55

S—Sunny. R—Rain. C—Cloudy. F—Fair. Dr—Drizzle.

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